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MASTER'S THESIS

DEVELOPING CONSUMER-BASED BRAND EQUITY VIA SOCIAL MEDIA

Ljubljana, junij 2021   JAKA ŠIROK

AUTHORSHIP STATEMENT

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LIST OF ABBREVIATIONS

CBBE – consumer-based bran equity

DIY – do it yourself

INTRODUCTION

Social media are online applications, platforms and media which aim to facilitate interactions, connections, communication, and the sharing of content (Richter & Koch, 2007). They take a variety of forms, including weblogs, social blogs, microblogging, podcasts, pictures, video, rating, product reviews, accommodation reviews, etc. As their use increases exponentially, not only the existing social networkers but even business firms and governmental organizations are joining and using them as communication tools. Individuals use social media primarily for personal reasons and having fun, but brands and business on the other hand, use the media for advertising and marketing. It is considered a consumer-generated media covering a variety of new sources of online information used and created by consumers, who want to share information with others (Kasemsap, 2016). While commercial messages and interactions with consumers partner with media, events, entertainment, retailers, and digital services through social media, it is possible to perform integrated marketing activities with much less effort and cost than before. According to Kim and Ko (2010), social media can have a dramatic impact on a brand's reputation.

Online marketing communication, in its simplest form, refers to hyperlinked graphical images that are displayed on a website or a platform, and, in recent years, may also include video, audio and a number of other innovative technologies. The primary objectives of online marketing communication usually include creating brand awareness, generating consumer demand, providing information, increasing sales, building relationships, creating communities, giving customer service, and establishing brand loyalty (Duffett, 2017). The rise of social media in organizational settings has initiated the new horizons for strategic communication (Zerfass & Schramm, 2014). Social media is defined as a method of technological innovations in terms of both hardware and software that facilitate the inexpensive content creation, interaction, and interoperability by online users (Berthon, Pitt, Plangger & Shapiro, 2012).

Further, it enhances the power of communication via targeted messages that filter the crowd, based on their age, education level, language, likes, etc. As Facebook was one of the most popular, recognizable and widely used platforms in the recent years a large number of studies have been done focusing on Facebook as a promotional tool (Appel, Grewal, Hadi & Stephen, 2020). However, compared to them, a smaller amount of studies has been done on finding the impact of Facebook on brand development (Veloutsou, Cleopatra & Moutinho, 2009). Further analysis, of the relationship between social media marketing and customer-based brand equity due to good social media presence, is necessary for better understanding of the correlation between the two topics. This contribution will help to pave the way for future consumer marketing researchers to build on the framework constructed here and better understand how consumers are influenced by social media marketing efforts from the companies they patronize. Relationship investment is the "seller's investment of time, effort,

spending, and resources focused on building a stronger relationship"(Clark & Melancon, 2013). It makes sense that consumers will recognize this investment and respond appropriately with engagement through social media channels. Interpersonal relationship marketing theory supports the idea that people feel grateful when others have contributed to them and respond by rewarding extra efforts (Palmatier, 2008).

In the recent years, it has become essential to manage brand image through social media across all stakeholders, be they shareholders, consumers, employees, business partners, governments, media, or local communities. The criticality of social media management can be comprehended when we consider brands social image as the net assessment of the overall image and perception of the brand among consumers. The new challenge for brands and companies is to maintain some difference between its social media image and its overall image, while at the same time they have to look towards having a good social media image that will consequently improve its overall image and perception among the consumers (Kaul & Desai, 2016).

The main purpose of the research is to determine how the consumer-based brand equity (CBBE) is developed via social media. The influence, that social media has on the way that brands communicate with their consumers and their target audience, has been tremendous over the past few years and it continues to grow. Today's social media platforms serve as great tools for businesses to build and maintain good relationship with consumers. Some of the more traditional businesses are having some trouble switching their focus and effort to social media, while some are very adaptive to this new wave. It is becoming more and more clear that the internet and social media are the present and the future of communication with consumers. Brands will have to adapt to create content, to interact and to connect with their audience on social media sooner or later. This thesis aims to better understand the impact that social media has on the equity of the brands, and also aims towards comparing views and expectations for social media presence from brand managers, with the expectations and importance of it from the consumer's viewpoint. Therefore, the goals of this research are to determine if and why social media presence is so important for the brands and how a good content creation on social media affects brand's equity, from the perspective of the brands. Besides, it also aims to determine how the consumers perceive brand's presence on social media and what they expect from it. Another aim of the thesis is to gather and compare the data obtained by the interviews with the brand managers. The final step is to analyze the results of the survey and conduct an analysis, which will lead to the final findings of the research, presented in the conclusion.

1 SOCIAL MEDIA

Talking about social media and its perks for developing brand equity, requires a definition of what social media is. Each person would probably define social media slightly differently, but we all have an idea what it is. This has not always been the case and when I was looking for a good theoretical definition, I noticed that researchers and authors have defined social media very differently through the years as I found a lot of different definitions. A few most widely accepted will be used and shared for the purpose of the thesis.

1.1 What is social media?

Social media is defined as a method of technological innovations in terms of both hardware and software that facilitate the inexpensive content creation and ability to interact and operate between online users (Berthon, Pitt, Plangger & Shapiro, 2012). In the recent years, social media is no longer related as heavily to innovation as in the past since it has become more standardized in our lives. Social media is computer-based technology that facilitates the sharing of ideas, thoughts, and information through the building of virtual networks and communities. By design, social media is internet-based and gives users quick electronic communication of content. Content includes personal information, documents, videos, photos, and many more. Users engage with social media via computer, tablet or smartphone via web-based software or web application, often utilizing it for messaging (Dollarhide, 2020). According to Kasemsap (2016), social media is considered as consumer-generated media that covers a variety of new sources of online information used by consumers, who are intent on sharing information with others.

Social media originated as a way of interacting with friends and family but was later adopted by businesses which wanted to take advantage of a popular new communication method to reach out to consumers. The power of social media is the ability to connect and share information with anyone in the world and do so with many people simultaneously (Dollarhide, 2020). The rise of social media in organizational settings has initiated new horizons for strategic communication (Zerfass & Schramm, 2014). In the early stages of social media, these were basically its only functions, but over the years both big and small organizations started using social media to communicate with their consumers and target audience.

There are multiple studies that have explored specific social media marketing objectives (Pham & Gammoh, 2015; Kaplan & Haenlein, 2010; Ashley & Tuten, 2015) as part of their proactive business strategy, such as sales stimulation, raising brand awareness, brand image improvement, remodeling the traditional marketing plans, creating viral content, to name but a few. In contrast, marketing objectives that are part of a reactive business strategy involve instigating, monitoring, and analyzing consumer conversations about brands, products, and

services, on social media platforms and are aimed towards good consumer service on them (Albors, Ramos & Hervas, 2008). Consequently, an organization will be more aware of its product's trajectory and appeal to its main targets, and act according to these new gathered insights. Both strategies can be applied for any brand or company with special regards to its industry, size, and the social networks it uses for its digital marketing strategy (Vinerean, 2017).

Social media offers many opportunities for both consumers and brands. On the one hand, in using social media, consumers have developed new ways of interaction with other individuals and brands, to voice their opinions about brand experiences (especially the bad ones), product reviews and have also helped them in searching, evaluating, choosing, and buying goods and services (Albors, Ramos & Hervas, 2008). On the other hand, brands have been given the opportunity to invest time and money in their social media presence and develop more targeted campaigns, to communicate, and interact with consumers. This medium, if used appropriately, can be a very important driver for direct sales, it can also help gain insights about brand perception and image. Social media is also a great tool for some lifetime value targets, such as customer acquisition and retention (Vinerean, 2017).

1.2 How social media works?

Since social media covers numerous kinds of platforms, websites and applications, the function of these tools also varies. However, most social media sites start with a user creating a profile, usually by providing a name, profile picture and an email address. Once a profile has been created, a user can create and share content. In addition to creating content for the profile, a social media user can find other users whose content he wants to follow or comment on. Depending on the type of social media, a user may "follow" another user, add him as a "friend," or he may "subscribe" to receive notifications when the creator publishes a new piece of content, which can be in a form of a photo, video, text, etc., usually portrayed in the "feeds" that allow users to scroll through content (Kellogg, 2020). Social media companies use algorithms, based on a user's profile data, to determine which content appears to which user and the order that it appears in. The feed will include content from "followed" users, most viral content and content from entities that pay to promote their brand as well (Hudson, 2020).

In business, social media is used to market products, promote brands, connect to current consumers, and foster new business. In terms of consumer feedback, social media makes it easy to tell a company and everyone else about their experiences with the company, be it good or bad. The brand can also respond very quickly to both positive and negative feedback, attend consumers with their problems and maintain, nurture, or rebuild consumer confidence. The key to successful social media is to treat it like every other important aspect of the business and not just as an extra time activity or even a burden. Ironically, the brands and businesses that do not put time and effort into the social media, believing it would not bring

them any value, usually do not get good business results or additional value created. It is not due to the non-existence of their potential or value in social media, it is due to the way they are handling this aspect of their business (Hudson, 2020). Social media is a very important segment of every business and brand, and it must be treated so.

1.3 Social media platforms and media sharing networks

A platform is a social network or a component of a social network. Twitter, Facebook, and Instagram are all social platforms. A social platform can be defined as a web-based technology that enables the development, deployment and management of social media solutions and services. It provides the ability to create social media websites and services with complete social media network functionality (Greenwood, Perrin & Duggan, 2016).

A lot of social platforms have different purposes. For example, Spotify is a social, digital music, podcast, and video streaming service and platform that gives people access to millions of songs and other content from artists all over the world. Didi, on the other hand, is a mobile transportation and local services platform, that connects drivers and passengers. The fact that these two platforms are connecting people makes them social platforms.

In the next few pages, the most widely used and recognizable social media platforms (or as some people also call them media sharing networks) will be presented. Media sharing sites and networks allow you to upload your photos, videos and audio to a website that can be accessed from anywhere in the world. There is an option to share the media with the world or just with a selected group of friends (Media sharing site, 2019). Social media have transformed the nature and practice of online communication into an extensive, two-way dialog among users, which may cover private and social topics, issues, and experiences as well as about companies' products, brands, and services (Lehmkuhl & Jung 2013). The below-mentioned platforms are also the most frequently used social media platforms by businesses with a goal to build brand image and CBBE.

1.3.1 Facebook

Facebook is the biggest social media site around, with more than two billion people using it every month. That is almost a third of the world's population. There are more than 65 million businesses using Facebook Pages and more than six million advertisers actively promoting their business on Facebook, which makes one of the essentials for brand's presence on social media. It is easy to get started on Facebook because almost all content format works great on Facebook — text, images, videos, live videos, and stories (Lua, 2020).. While the News Feed increasingly suppresses business posts, there are still ways to bolster engagement without investing in ads (Kellogg, 2020).

The more interesting, engaging or even polarizing the content is, the more likely it is to go viral on Facebook. Short videos, eye-catching images and attention-grabbing headlines are the best way to attract an audience. For Facebook groups, interactive content and conversation-starters are the way to go, while live streams and polls are also recommendable. Facebook is a great way to reach an audience of adults and have engaging visual (or video) content that can capture their attention, invoke an immediate emotional response, and make them excited to share with their friends and family members (Shearer, 2020). The problem with Facebook is that has lost its standing among young people. It was the most popular social network among teenagers and young adults a few years ago but is now in steady decline. The latest Infinite Dial report from Edison Research and Triton Digital reveals that 61% of respondents ages 12 and older report using Facebook, down from a peak of 67% in 2017 (*Facebook's Popularity Continues to Drop,* 2019). As it can be seen in Figure 1 below Facebook is losing on popularity among people aged 12-34, while Instagram is gaining the most popularity among mentioned social media platforms.

Figure 1: Social Media Brand Popularity
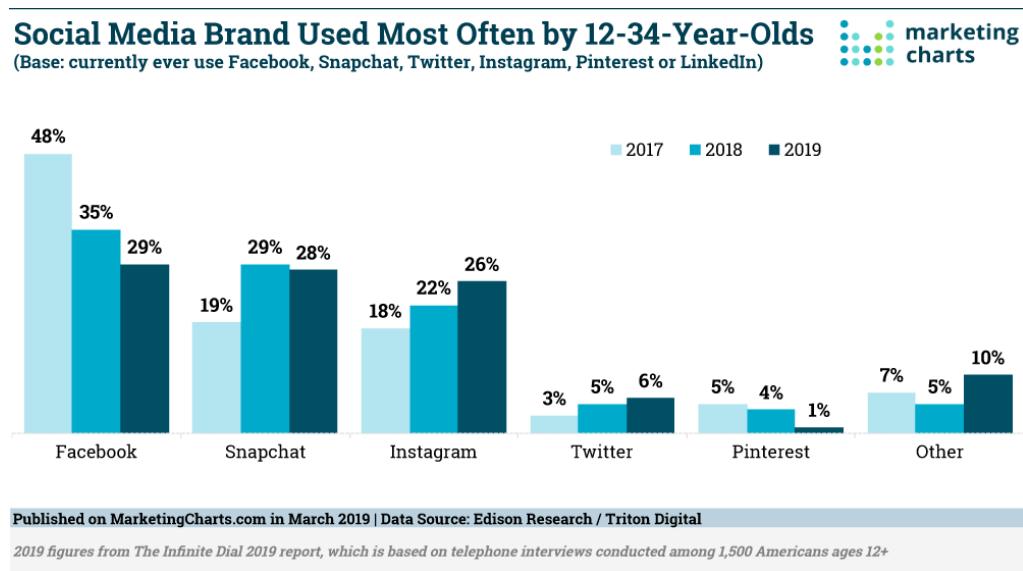
Source: Charts, Data and Research for Marketers (2019).

Furthering the evidence that Facebook is losing ground with 12-34-year-olds, the survey revealed that 29% of this age group use Facebook most often compared to the other social media brands — half the percentage (58%) from 2015. Instagram's popularity, on the other hand, is growing: this year 26% of 12-34-year-olds count the image-focused platform as their most-used, up from 15% in 2015 (*Facebook's Popularity Continues to Drop,* 2019). As we can see from the data above, Facebook is a great marketing platform for reaching adult audience, but if a brand wants to gain recognizability and increase interest of teenagers and young adults, it should focus its marketing efforts more on other social media platforms.

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1.3.2   Instagram

Instagram is a photo and video sharing social media app. It allows you to share a wide range of content such as photos, videos, stories, and live videos. It has also recently launched IGTV for longer-form videos. Brands can have an Instagram business profile, which will provide with rich analytics of the brand's profile and posts and the ability to schedule Instagram posts using third-party tools (Lua, 2020). Since introducing shoppable posts in 2018, the potential ROI for product-based businesses is higher than ever – not only can B2B's connect with a massive audience, but they can also link the product information and sales straight from the platform (Kellogg, 2020). As it can be seen in Figure 2, if the brand's target demographic is under 35, Instagram is a gold mine: 63% of users are between the ages of 18 to 34, with virtually even split between male and female users (Clement, 2020).

Figure 2: Instagram users by gender
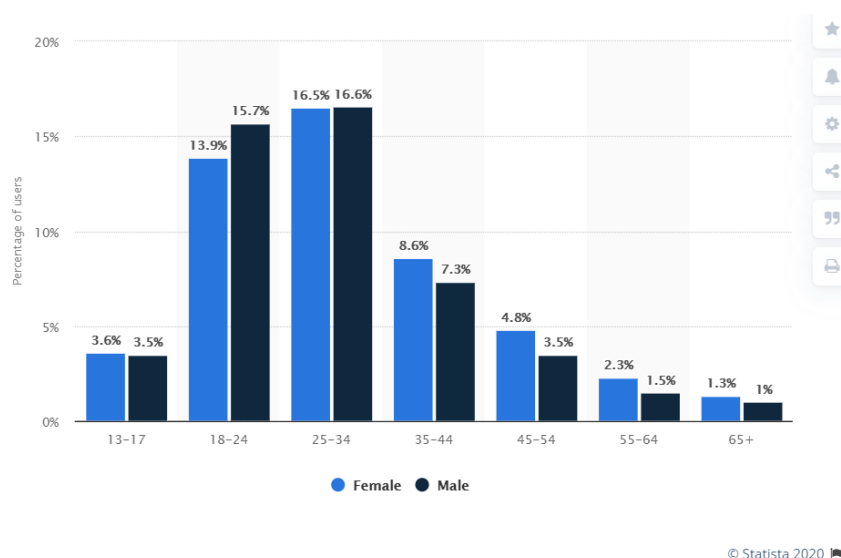
Source: Statista (2020).

In a world where we have information coming at us all day, every day, offering up an eye-catching image is an easy way to catch followers' attention. People who follow brands on Instagram are looking for behind-the-scenes views and other spontaneous images that are not typically featured in advertisements (Belosic, 2020). Instagram's user base and the way people interact with Instagram content has been gradually shifting; for marketers, staying current on the latest Instagram demographics, statistics, and usage trends can help brands make smart decisions regarding future social media marketing campaigns (Parish, 2019). While Facebook is a great platform to reach adult audience, Instagram seems to be the social media platform where young people spend the most time and advertisers should be aware of this data while deciding on which platform, they want to spend most of their marketing efforts and budget.

A great way for brands to raise awareness of their brand is through collaborations with influencers. When it comes to influencer marketing campaigns, there are multiple social media platforms to choose from. Instagram is the preferred influencer marketing platform for brands that work in the business to customer segment, especially for lifestyle and fashion brands (Barker, 2019). According to a report by Mediakix, more than two thirds of marketers spend most of their marketing budget on Instagram, see the Figure 3. Another study from Mediakix revealed that 48% of marketers get better or much better ROI channels and 41 % get comparable ROI from influencer marketing compared to other marketing channels, this can be seen in the Figure 4.

Figure 3: Influencer marketing
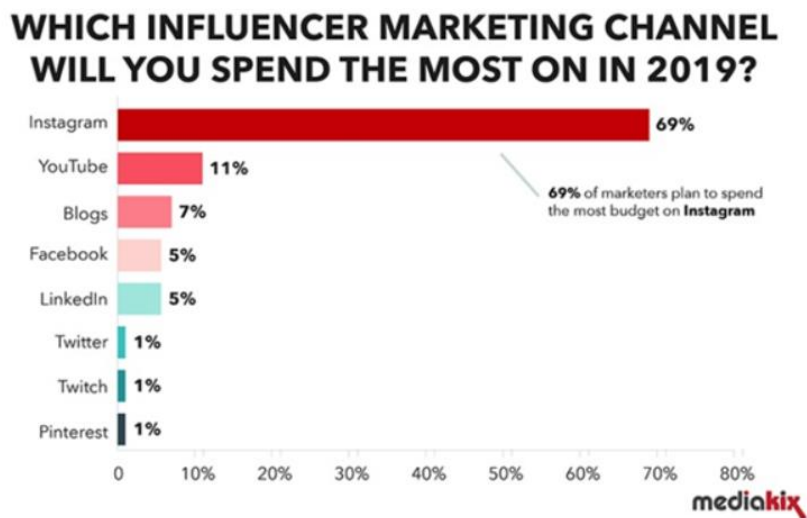
Source: Mediakix (2020).

Word-of-mouth has been an effective marketing strategy for ages. And influencer marketing is a digital form of traditional word-of-mouth. However, because the entire activity happens in a digital realm, the response of the audience can be measured accurately using indicators such as number of likes, shares, etc. Influencers, by nature, have large numbers of loyal and dedicated social media followers. These followers perceive them as experts in their niches and value their recommendations highly and are often influenced to buy products and services that are used by influencer they like. Unlike traditional celebrities, influencers enjoy a strong connection with their fans. This makes influencer marketing work like a charm for creating brand awareness and achieving other marketing goals such as increasing sales (Barker, 2019). More detailed analysis of Influencer marketing campaigns will be given in the second part of this thesis.

Figure 4: ROI of influencer marketing

COMPARED TO OTHER CHANNELS, ROI FROM INFLUENCER MARKETING IS...

Much better	14%
Better	34%
Comparable	41%
Worse	10%
Much worse	1%

89% say **ROI** from influencer marketing is **comparable or better than other channels**
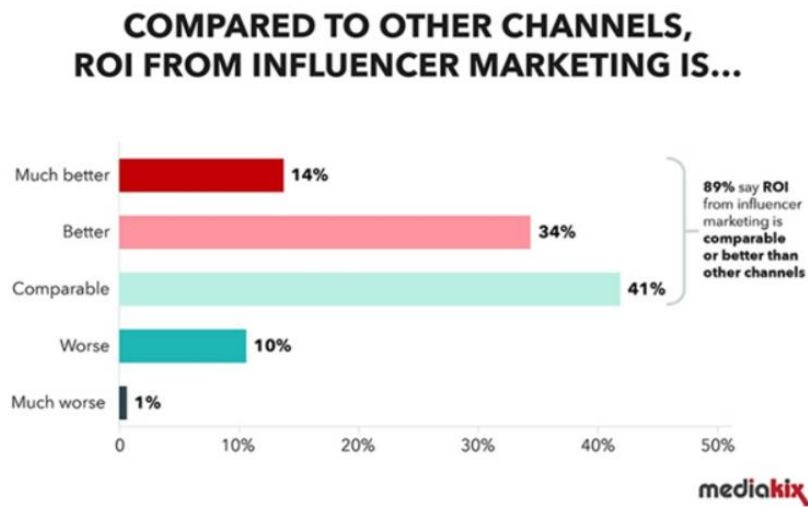
mediakix

Source: Mediakix (2020).

1.3.3   LinkedIn

LinkedIn is now more than just a resume and job search site. It has evolved into a professional social media site where industry experts share content, network with one another, and build their personal brand. It has also become a place for businesses to establish their thought leadership and authority in their industry and attract talent to their company. One of the useful features on LinkedIn are advertising opportunities, such as boosting your content, sending personalized ads to LinkedIn inboxes, and displaying ads by the side of the site (Lua, 2020).

As it can be seen from the Figure 5, LinkedIn is a platform where entrepreneurs, managers, freelancers, and businesses share more professional content and network with each other. This platform is great for connecting with other businesses and has a potential to be greatly beneficial for B2B companies and brands, by connecting them with other businesses and business professional from the same industries from all over the world.

An important feature of LinkedIn's algorithm is tailoring posts in the feed to a niche. LinkedIn has found that most users on the platform like to read about niche-specific topics. LinkedIn is also considered as best social media for getting free exposure, since the advertisement is not so strong and present as on the other social media platforms. Creating engaging and interesting content in your niche will help your brand earn more awareness and recognition (Chris, 2020).

Figure 5: Linkedin demographics
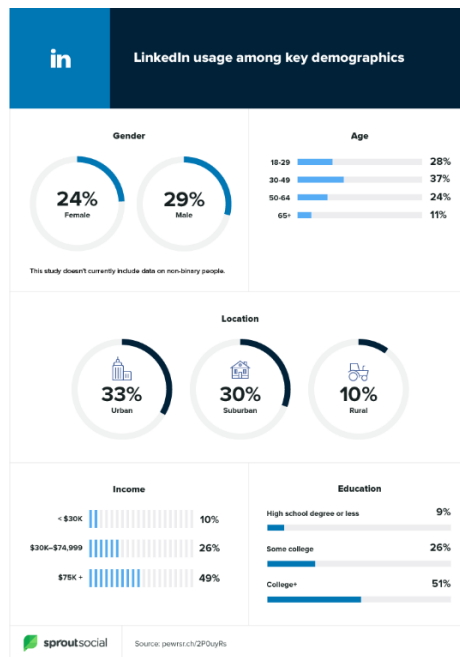
Source: Lua (2020).

1.3.4 Pinterest

Pinterest is a place where people go to discover new things and be inspired, quite unlike most social media sites where engagement is the primary focus. According to Pinterest, 78 percent of users say that content on Pinterest from brands are useful (much higher than that on other sites). This gives brands a unique opportunity to shape their purchasing decisions. Pinterest has become an extremely popular social bookmarking tool for saving ideas and finding creative inspiration when it comes to everything from cooking to Do it yourself (DIY) home projects, weddings, vacation ideas, interior design, workout and business (Lua, 2020). In addition, anything with rich visual can thrive on Pinterest. Numbers, lists, and quotes should be a big part of a brand's strategy here and using the right keywords and search terms in your imagery can boost the performance of the posts (Shearer, 2020). With an audience predominantly consisting of adult women, as it is shown in Figure 6, 81% of Pinterest users are female, this social media platform is also often cited as a crucial part of the product discovery journey. Therefore, for brands that have predominantly female audience, that's a compelling reason to invest time in social media marketing on Pinterest (Kellog, 2020).

Figure 6: Pinterest demographics
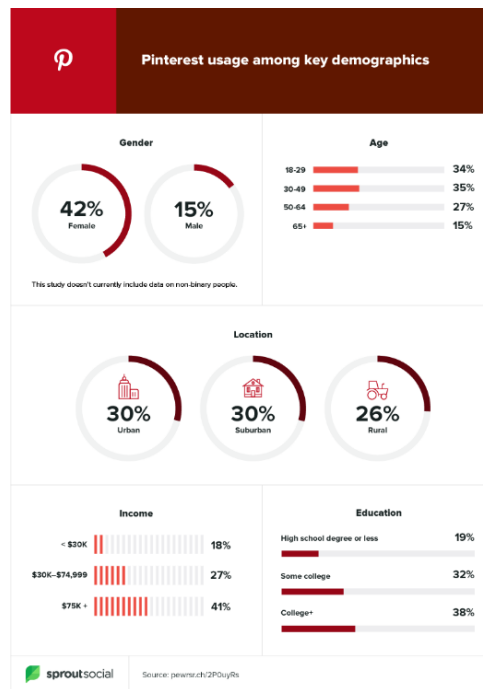
Source: Lua (2020).

As Pinterest users want to be inspired to try or buy new things, having a presence on Pinterest could help putting a brand on their minds and creating eye catching photo content and lists also creates content that can later be shared on other social media accounts and platforms that brands use. Attractive visual content is really important tool in marketing and Pinterest is the perfect platform to create it and share it with the world.

1.3.5 Snapchat

Snapchat is a social media app that focuses on sharing photos and short videos (as known as snaps) between friends. Snapchat made the Stories format (short video or photo that is available only 24 hours) popular, which eventually proliferated on other social media platforms like Instagram. But the rise of Instagram Stories seemed to have hindered Snapchat's growth and marketers' interest in using Snapchat for their brands in general (Lua, 2020). Snapchat is a haven for user-generated content, behind-the-scenes videos, exclusive offers, and influencer takeovers (Kellogg, 2020). As seen in Figure 7, young adults between the ages of 15 and 24 make up a massive 78% of active users who partake in the platform's over 14 Billion daily video views. Users tend to skew slightly more toward females, with the majority accessing the app daily (Shearer, 2020).

Figure 7: Snapchat demographics
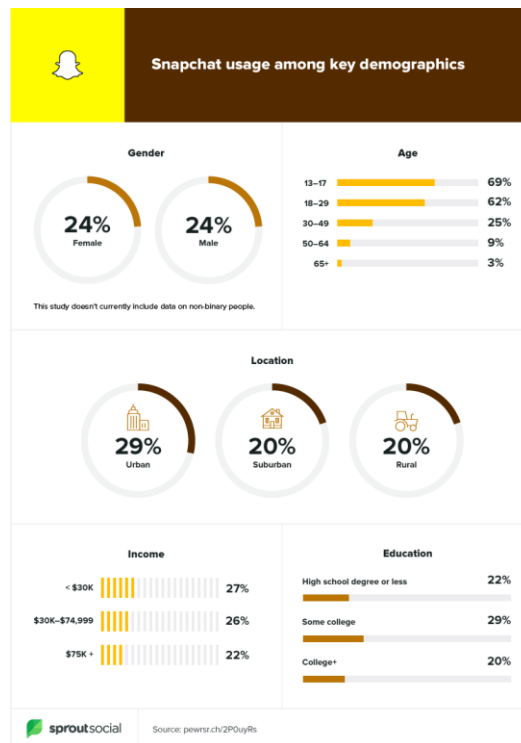
Source: Lua (2020).

For the brands targeting teens, Snapchat can be one of the most beneficial social media platforms. Positioning brand on the market as young, 'cool', fresh and trendy can have tremendous effect on brand's perception among teenagers and therefore have a long positive effect on the interest in the brand and consequently rise in sales.

1.3.6 Tik Tok

Tik Tok (also known as Douyin in China) is a rising music video social network and platform. Tik Tok users use the app largely to create, share, and view content based around lip syncing, dancing, comedy skits, and other physical activities. Clearly, this is something that appeals to young people (and quite a few older ones) around the world, with app snowballing in popularity over 2018 and 2019, see the Figure 8 (Iqbal, 2020). It was the world's most downloaded app in the first quarter of 2018, beating Facebook, Instagram, and other social media apps. On this platform users can record videos up to 60 seconds, edit them, and add music and special effects (Lua, 2020). Today, TikTok reportedly sees over 800 million monthly users (according to a leaked advertising deck), which instantly places it amongst the top social media platforms in the world in terms of sheer user figures (Iqbal, 2020).

Figure 8: TikTok growth statistics
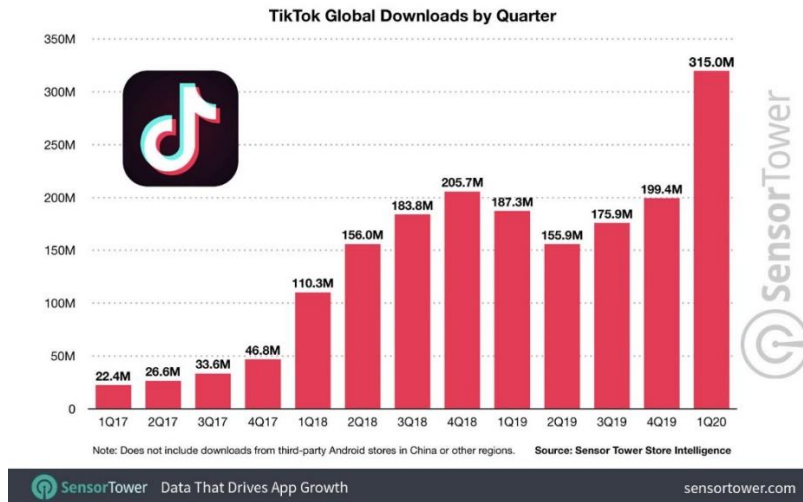
Source: Kanič (2020).

Tik Tok is currently the most 'trendy' social media platform and is perfect to reach and entertain a young audience with fun video-based content that does not always need to have a direct connection to the brand's products or services. People on this platform want to be entertained and having too much promotional content as a brand is not the best strategy. Creating fun and entertaining content with occasional fun commercial or promotion and of course collaborating with some of the Tik Tok's influencers is the best strategy for brands on this platform.

1.3.7   Twitter

Twitter is a social media site for news, entertainment, sports, politics, and more. What differentiates Twitter from most other social media sites is that it has a strong emphasis on real-time information — things that are happening right now. A unique characteristic of Twitter is that it only allows 280 characters in a tweet (140 for Japanese, Korean, and Chinese), unlike most social media sites that have a much higher limit. Twitter is also often used as a consumer service channel. According to advertisers on Twitter, more than 80 percent of social consumer service requests happen on Twitter (Lua, 2020). While Twitter's monthly active user numbers have been hovering consistently around 300 million for a while now, a massive 40 % of those users are active on the site multiple times daily, suggesting that the people who use the platform, are likely to be intensely engaged. Twitter has become an extremely popular medium to communicate breaking news, digest bite-sized content, and communicate directly with the users in real-time. Figure 9 shows that nowadays the popularity of this social media site remains high amongst tech-savvy users and is particularly active in B2B verticals related to business, marketing, and politics. 63 % of Twitter users are

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aged between 35 and 65, with males making up nearly two-thirds of those people (Kellogg, 2020).

Figure 9: Twitter gender demographics
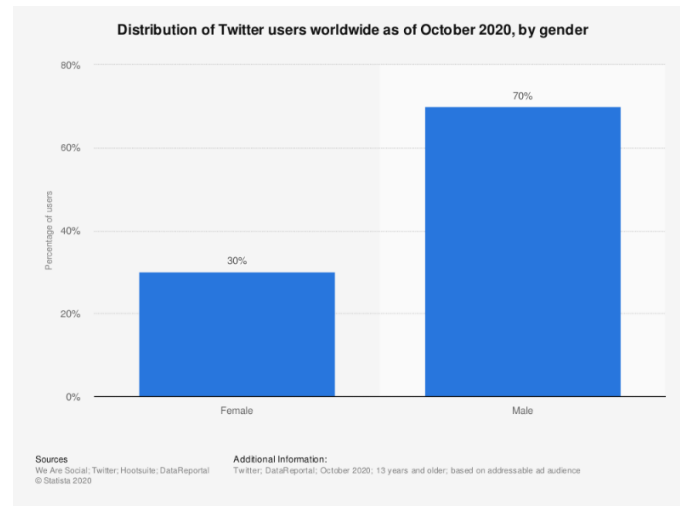
Source: Newberry (2021).

Middle-aged men are the most represented group of people on this platform and for brands that want to target this audience, Twitter is the best platform to do it. Occasionally, a risky, cynical, or sarcastic tweet is one of the best ways to get the attention, interest, and affection of the audience.

1.3.8   Youtube

YouTube is a video-sharing platform where users watch a billion hour of videos every day. To get started, a person or a business could create a YouTube channel, where it uploads videos for the subscribers to view, like, comment, and share. Besides being the second biggest social media site, YouTube (owned by Google) is also often known as the second largest search engine after Google (Lua, 2020). For businesses that could benefit from producing video tutorials or walkthroughs, visually driven instructional content, product reviews or interviews, this social media platform is a necessity in order to reach their more than 2 billion monthly users (Shearer, 2020). An exceptionally 73 % of US adults are reported to use YouTube regularly, with a concentration peak in the age range of 15 to 34 years old. YouTube is broadly popular amongst both men and women, and usage tends to go up alongside income and level of education (Chen, 2020). See the Figure 10 for reference.

Figure 10 - Youtube demographics
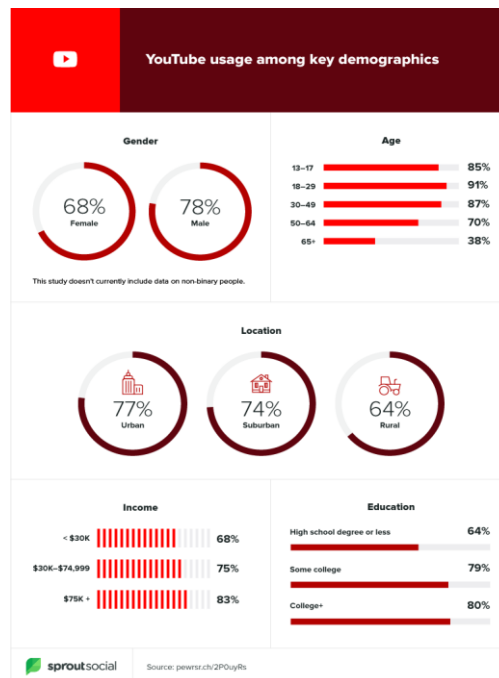
Source: Lua (2020).

Like with any social media platform, to be successful, providing value for the audience is most important. Depending upon the type of business and the brands goals, both long-form and short-form video content can work very well on this platform. Most viewers tune in for a combination of education and entertainment and one of the most important things to focus on is to work hard to retain the attention of the viewers throughout the videos (Shearer, 2020). Youtube is widely used by all generations and a brand should find a way to reach and connect with people by making videos that will be eye-catching and appealing to their consumers and target audience, be it Do it yourself (DIY) videos, unboxings, how to videos, tutorials, etc.

1.4 Social media management

Social media management is a multidisciplinary approach that should start with a strategy to create business value. Consequently, all departments in an organization can be potentially involved in this process of strategy setting (Looy, 2016). Social media strategies are the first and essential way to look at the bigger picture of social media management by organizations. Social media should only be used if they can contribute to one or more business objectives. Such examples can be internal or external (i.e., with consumers, suppliers, or other stakeholders).

To be more specific social media management is the process of managing your online presence on social media platforms like Facebook, Instagram, Tik Tok and others by creating, publishing, and analysing content you post. In addition, social media management includes

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engaging and interacting with social media users (Burks, 2019). There are many ways of engaging and interacting with other social media users, for example liking and commenting their posts, sharing them on your profile, creating valuable photo and video content, sending personalized messages, replying to messages of other users, and creating a kind and positive environment in the community. Blanchard (2011) says that social media management is one of the key tools that companies must learn how to do.

As mentioned above, when it comes to social media, one of the most important things is preparing a good social media strategy, which is of the same importance as preparing a sales plan for the sales department. Social media strategy is concerned with the use of social media platforms to build awareness, generate leads and sales, improve brand's image and a lot more. Social media management is a practice that supports the brand's digital marketing and social media strategies. It is an important part of running an effective social media strategy because it explains how the brand will participate (think content publishing, rules of engagement with consumers etc.) on social media platforms to generate results (Selano, 2019).

An important part of a successful social media strategy is pre- analysis of company goals and objectives and its comparison with the social media platform statistics data and usage. After the initial analysis process that helps determine which social media strategy to apply, further analysis is necessary in order to constantly test the performance rate of the strategy. The objective usually is that the application of a professional social media management tool helps to improve the brand's word of mouth, its image on social media and attitudinal loyalty with the users (Venkatesh, 2013).

A common problem in companies is that marketing managers neglect the importance of social media management and marketing. This is the reason that some of the previously successful companies are struggling to keep up with the "newcomers" which are faster in adapting to the changes in marketing dynamics. Some brands consider social media management as a waste of time and money since it does not generate immediate profit. What they fail to recognize is that having a good social media presence, creating valuable content, engaging with consumers and potential target audience, and creating a connected community of followers brings a lot of long-term value to the brands (Hamouda, 2016). Social media management is the very part of brand's social media strategy, but it should not be mixed with social media marketing, which is another important aspect of the social media strategy.

1.5 Social media marketing

Social media marketing is marketing using online communities, social platforms, blog marketing and more. Global companies have recognized social media marketing as one of the most innovative marketing solutions, that has a potential to power their advertising campaigns in a new and innovative way. It is a strategic and methodical process to establish

the company's influence, reputation, and brand within communities of potential consumers and supporters. Simerpreet (2016) defines social media marketing as the process of gaining website traffic or attention through social media sites. Social media marketing programs usually concentrate on efforts to create content that attracts attention and encourages readers to share it across their social networks. In this way, the underlying message spreads from user to user and presumably resonates because it appears to come from a trusted third-party source, as opposed to the brand or company itself. This form of marketing results in earned media rather than paid media and proves to be very successful. Marketers believe that social media marketing is here to stay and will play an increasingly important role in their work in acquiring and retaining consumers in the future (Neti, 2011). Mobile phone usage is also beneficial for social media marketing because mobile phones have social networking capabilities, allowing individuals easy and immediate web access to social networking sites. (Simerpreet, 2016).

Social media marketing allows companies to establish a communication channel with its consumers, market their products, build brand equity, and boost clientele faithfulness. However, as it is a two-way channel, it requires effort and care to manage this communication as well. Dissatisfied consumers can protest out loud and if brand does not handle or resolve the issue in question, this can have an impact on thinking of many other consumers and quickly damage the brand's image. In order to avoid the risk of damaging the brand's image rather than improving it, the company should align their social media marketing with the global marketing strategy of the company. A way to do this, is when brand chooses the profile of people that matches its target segment and communicate with them accordingly (Saravanakumar & Sugantha-Lakshmi, 2012).

The difference between social media management and social media marketing is that in social media management, a brand is creating a good social image of the brand, creating a community and building for the long-term value, while in social media marketing besides creating long term value, brands are also creating short term value by generating direct sales from marketing campaigns on different social media platforms (Mahoney & Tang, 2017). Marketing campaigns can include sponsored posts, such as Facebook ads and Youtube ads where money is paid to reach more people. Another type of campaigns are collaborations with influencers to give social proof to the brand and its products.

Learning about social media is therefore incomplete without a clear differentiation between social media marketing and social media management. It is of utmost importance to have a clear understanding of both concepts as it can gain the brand a competitive advantage over the rivals.

2 BRAND

What is a brand and how do consumers perceive a brand? Brand is a complex phenomenon. Although brands have been widely discussed and debated in academic world a common understanding on brand could not have been reached among the experts in this field. "Each expert comes up with his or her own definition of brand or nuances of definition" (Zimmer & Kapferer, 1994), which increases the complexity in brand interpretation as well as its management. A brand is made up of three things: what a company sells, what a company does, and what a company is. A brand represents a set of promises and implies trust, consistency, and a defined set of expectations. The strongest brands own a positioning in the consumer's mind that is unique to that specific brand. To maximize the consumer-brand relationship, a company must understand how consumers think, act, perceive, and make purchase decisions (Davis, 2000).

According to Aaker (1991), a brand is a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the consumer the source of the product and protects both the consumer and the producer from competitors who would attempt to provide products that appear to be identical. Brands provide the basis upon which consumers can identify and bond with a product or service or a group of products or services (Weilbacher, 1995). From the consumer's point of view, a brand can be defined as the total accumulation of all its experiences and is built at all points of contact with the consumer, and within the internal process (Schuiling & Kapferer, 2004). A successful brand is an identifiable product, service, person, or place, augmented in such a way that the buyer or user perceives it relevant, and believes that it has unique added values which match their needs most closely (Chernatony & McDonald, 1998).

Brands are omnipresent; they penetrate almost every aspect of our lives: economic, social, cultural, sporting, even religious. Brands are a direct consequence of the strategy of market segmentation and product differentiation. Branding means more than just giving name and signalling to the outside world that such a product or service has been stamped with the mark and imprint of an organization. Branding consists in transforming the product category; it requires a corporate long-term involvement and presence on the market. This requires a high level of resources and skills (Kapferer, 2004).

Aaker (1991) stated that a brand is a set of perceptions which form the differentiation among the brands. The brand perception determines the expectation the consumer has of a brand, an expectation that presents the consumer's feelings towards a very specific experience that is promised by the branded product (Herman, 2001). Herman added that a brand can create psychological or sociological benefits that are the consequences of fantasy, such as a luxury

car which gives a benefit that is far beyond the driving experience itself. He also called all these kinds of benefits 'values' or 'added-values' and emphasized that the consumer expects to get benefits based on brand values. Herman added that a realization of the brand strategy depends on the fit between brand values and promises on the one hand and the way the consumers perceive the brand on the other hand. Therefore, the lower the gap between brand values and promises on the one side and the perception of brand values by the consumer on the other side, the better the brand experience and performance (Yaniv & Farkas, 2005).

To sum up, there are various definitions and classifications of what brand is. For the purposes of this paper a brand is considered as a company and all further research and conclusions will be based on that.

2.1 Brand equity

According to Seo and Park (2018) brand equity is the net consequences of assets and debts related to a brand name and/or to its symbol. On the other hand, brand equity has been defined by the American Marketing Science Institute as a set of associations and behaviour on the part of the brand's consumer, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name (Leuthesser, 1988). A year later, Farquhar (1989) defined brand equity as "the 'added value' to the firm, the trade, or the consumer with which a given brand endows a product."

The 'added-value' idea has been linked to a firm's success because once it has been created, it will bring greater profits and lower costs to the firm than without this brand value (Myers, 2003). The added value concept has expanded its spectrum and meaning as it is associated to consumers' experiences, feelings, and what they learn about a brand over time. This term is known as CBBE and it is the 'added value' endowed to a product in the thought process, words and actions of consumers (Leone, 2006).

Brand equity can also be defined as 'a set of assets and liabilities linked to a brand, its name and symbol that adds or subtracts from the value provided by a product or service to its consumers that is reflected through Brand Awareness, Brand Loyalty, Brand Association and Perceived Quality' (Aaker, 1991). Additionally, Tuominen (2010) claims that brands can imply status, enhance image, and augment lifestyle that helps the company to distinguish itself in the market. The basic notion here is that brands reside in the cognitive domain of the consumer which could be changed or controlled by marketers (Keller, 1993). Thus, **the CBBE is the differential effect on brand knowledge on consumer responses to the marketing of the brand**. A brand is set to have a positive CBBE when consumers react more favourably to an element of the marketing mix than they do to the same marketing mix elements when it is attributed to a factious named or unnamed product or a service (Keller, 1993). At the same time, a brand is set to have a negative CBBE when consumers react less favourably to an element of the marketing mix than they do to the same marketing mix

elements when it is attributed to a factious named or unnamed product or a service (Kavisekera & Abeysekera, 2016). Therefore, the strategic importance of CBBE is its ability to command premium prices, consumer approval of more brand extensions and constant search of the brand in new distribution channels (Keller, 1998). In the recent years there have been some aspirations for new research in this topic and the relation that social media has on the brand equity (Stojanovic, Andreu & Curaz-Perez, 2018).

In terms of CBBE, alternative viewpoints are provided by Aaker (1991) and Keller (1993). Aaker (1991) conceptualises brand equity as "a set of brand assets and liabilities linked to a brand, its name, and symbol that add to or subtract from the value provided by a product or service to a firm or to that firm's consumers, or both". This concept may be understood quite broadly without any further explanation, but Aaker later specifies what he refers to with assets and liabilities. These are product centric concepts like awareness, perceived quality, brand associations, loyalty and intangible assets like patents, R&D, and channel availability. Keller (2003) conceptualises brand equity in terms of consumer knowledge about the brand. He defines it as "the differential effect that brand knowledge has on consumer response to the marketing efforts of that brand". This term only assumes the meaning when the brand interacts with the consumers and not on its internal operations (Taylor, Hunter & Lindberg, 2007). There is another definition that has gotten a lot of recognisability especially for its simplicity provided by Ambler and Barwise (1998) who states that brand equity is "what we carry around in our heads about the brand".

The above-mentioned definitions are based on consumers' perceptions; however, there a few other noticeable and renowned perspectives on brand equity, especially financially based and product-policy based definitions. From the product policy perspective, brand equity is the outcome of long-term investments designed to build a sustainable, differential advantage relative to competitors (Doyle, 1994). From a financial perspective, brand equity is linked to the sales and profit impact enjoyed because of prior years' marketing efforts versus a comparable new brand (Brodsky, 1991). As we proceed to a more detailed investigation of the topic, it must be emphasized that in this thesis the focus will be on consumer-based perspective of the brand equity.

2.2 Consumer-based brand equity (CBBE)

Most CBBE studies represent two theoretical frameworks: Aaker's CBBE model and Keller's CBBE theory. The latter wrote that the power of the brand is the result of the knowledge and opinions that consumers have in their mind about the experiences with the brand and the marketing programs related to the brand (Keller, 2003). His findings were partly also based on Aaker's research who states that CBBE is centred on the knowledge consumers have about the brand. This knowledge is reflected in the awareness of the brand and associations, or images linked to the brand (Aaker, 1991). The problem with Aaker's and Keller's research is that both were conducted in a rather distant past. The goal I am pursuing in this thesis is not

only to cite their papers but also to find newer, more up-to-date sources and bibliography. However, it should be highlighted that Aaker's and Keller's thorough research has contributed immensely to my thought and research process on this topic.

Christodoulides and de Chernatony (2010) define CBBE as "a set of perceptions, attitudes, knowledge, and behaviors on the part of consumers that results in increased utility and allows a brand to earn greater volume or greater margins than it could without the brand name". CBBE is also commonly regarded as a memory-associative network and some researchers refer to brand information as "nodes." Consumers' brand nodes may reflect various consumer benefits and relationships they have with the brand. The links between the nodes tend to be heavily idiosyncratic due to a plethora of brand sources over time and brand episodes and multiple pathways explaining how consumers link a specific node or information to another one (Krishnan, 1996). This conceptualization of CBBE reveals causal complexity, asymmetry, and equifinality as its major characteristics.

In the last years, the researchers have widely acknowledged brand equity as a key marketing performance indicator, a source of competitive advantage, and a vital component of business success (Christodoulides, Cadogan, & Veloutsou, 2015). Although brand equity may derive from various stakeholders, CBBE is the focus of marketing research. Despite the merits of existing research and the available data, failure to simultaneously capture the complex, dynamic, and uniquely independent nature of CBBE highlights the need for newer, more advanced, and actionable CBBE models that yield additional insights into the creation of brand equity (Davcik, Vinhas da Silva & Hair, 2015).

The nature of the CBBE phenomenon suggests that many closely related brand concepts co-exist at different stages in the process (e.g., consumers' perceptions, feelings, relationships, and dynamic interactions) and that interrelationships among these concepts may occur (Henderson, Iacobucci, & Calder, 1998; Krishnan, 1996). The right consumers' experiences keep brands meaningful and relevant to them and subsequently develop into positive consumers' perception and behaviours of the brand that would therefore bring sustainable and a competitive advantage for the brands (Hong-Bumm, Woo & Jeong, 2003).

According to Aaker (1991, 1996) there are five main sources of brand equity, namely brand awareness, perceived quality, brand differentiation, brand loyalty, and brand performance. The first source, brand awareness, consists of recognition, recall (what comes to mind when the brand's name is recalled for the first time), brand dominance, brand knowledge and brand opinion (Keller, 1993). More detailed look into the brand awareness level will be given in the subchapter Brand Awareness. Consumers' perceptions and attitudes towards a brand are said to be driven by the level of brand awareness and thus it plays an important role in brand choice and loyalty (Rios, 2007).

The second source, perceived quality, is "the consumer's judgments about a product's overall excellence or superiority" (Zeithaml, 1988). These subjective evaluations of product quality are made by the consumers after having an experience with the brand's products or services (Yoo & Donthu, 2001). Usually, the brands with higher perceived quality can charge premium prices for their products, meaning that their equity is increased because of it. On the other hand, brands with lower perceived quality usually need to price their products at discount with the purpose of compensating for it (Yang, Sun, Lalwani & Janakiraman, 2019).

The third source of Aaker's model of brand equity embraces a real concern for marketers: how to differentiate the brand in a crowded and competitive environment full of similar products or services. Brand differentiation can be reached through different steps and processes such as brand benefits for consumers, high brand effectiveness, uniqueness of brand's products or services, etc. Being able to provide something different to consumers in comparison with other brands has a positive influence on the perceived value of the brand and its products and additionally on its equity (Gupta, Gallear, Rudd & Foroudi, 2020).

According to Aaker (1991) the fourth and major component of the brand equity framework is brand loyalty. He defines it as the attachment that a consumer has to a brand. Keller (2013) claims that brand loyalty, can ultimately be achieved via. two routes, i.e., rational, and emotional. The rational route includes important components, such as performance (e.g., price, efficiency, durability, reliability) and judgment (e.g., quality, credibility), while emotional one includes the ones, such as imagery and feelings (Keller, 2013; Huang, 2017). Chang (2012) has stated that high brand awareness contributes to other brand factors such as brand image and brand loyalty and significantly affects the market share of the brand. In other words, this shows that brand awareness and brand image are two significant sources of brand loyalty for businesses (Baldauf, Cravens, & Binder, 2003; Seo & Park 2018). Bilgin (2018) states that social media marketing has positive effect on all three above-mentioned components, brand awareness, brand image and brand loyalty.

The fifth and last source of brand equity according to Aaker (1991) is related to market behaviour rather than consumer perceptions. This source uses brand performance measures such as market share, sales market price and distribution coverage as indicators. The advantage of these measures, compared with other four brand equity sources, resides in their straightforward application. They do not require a time consuming and troublesome survey to obtain useful information but do use readily available financial information instead (Aaker, 1996).

Keller (1993) offers an alternative brand equity framework to Aaker's; he has coined it as a consumer-based brand equity (CBBE) which aims to evaluate the differential effect of brand knowledge on consumer response to the marketing of the brand. There are two basic approaches involved in Keller's CBBE framework, the direct and indirect approach (Keller, 1993). The latter deals with the identification of possible sources of brand equity by tracking

consumers' brand knowledge structures (Keller, 1993, Park & Srinivasan, 1994). On the other hand, the direct approach assesses the actual impact of brand knowledge on consumers response to different elements of the firm's marketing programs (Keller, 1993, 2003). Due to the complexity of the topic, he recommends using a combination of the direct and indirect approaches as they complement each other.

Several newer studies (see Buil, Martinez & de Chernatony, 2013) suggest CBBE is an outcome of its dimensions and linearly associates numerous dimensions with overall CBBE. But this highly complex process cannot just be treated linearly since the analysis may be too simplified. Building on previous research (e.g.Woodside, 2014, Stojanovic et al., 2018), some new study adopt complexity and configural theory to examine CBBE as a dynamic and evolving process that moves away from the logic that CBBE is a static and linear construct by giving more light on the brand equity creation process as a whole. Some newer studies (Veloutsou, Christodoulides & de Chernatony, 2013) also mention strong brand personality as an important dimension of brand equity (Chatzipanagiotou, Veloutsou & Christodoulides, 2016). But in this thesis, the focus is on CBBE via social media, therefore the topics of brand awareness, brand loyalty and brand identity will be further discussed in relation to the presence on social media.

To summarise, in the process to clarify the value of the brand, studies recognise the importance of dividing brand equity into sets of dimensions. There are several dimensions which are widely used as brand equity sources, but there is still no consensus as to which ones best describe brand equity. Sometimes what is considered a brand equity source (e.g., loyalty) by some authors is considered an outcome of brand equity by others. Still, some include three sources of brand equity, others four and more. Some have used single items in measuring a construct and others the composite ones to measure the same construct. (Rios, 2007). Even though there are many different approaches and opinions, there is one consensus among the researchers, namely that brand equity is a very wide phenomenon, which is applied differently for brands in different industries, and with different target groups. Despite diverging perspectives, the definition of brand equity is unique to a specific brand in terms of marketing effects. The power of a brand depends on opinions and perception of consumers, based on what they experience and what they have learned, felt, seen, and heard (Keller, Parameswaran & Jacob, 2011). There is also a big difference for the online brands, that were created in the last decade and are operating just on the internet in comparison to those brands who have also some brick-and-mortar operating locations and branches.

2.3 Brand awareness

One area that social media management constantly and very efficiently influences is brand awareness. Brand awareness is the consumers' knowledge of a brand's existence or in general, the proportion of consumers who know of the brand (Gustafson & Chabot, 2007). A high degree of brand awareness is a competitive advantage because of its difficulty to be imitated

by competitors and its ability to be leveraged across different products and markets. Social branding or developing brand awareness through social media entails maintaining a visible company sponsored presence on social networking platforms. Organizational posting on the platforms is necessary to regularly supply information and content that increase the brand's visibility. Brand awareness in effect cultivates positive relationships with content creators following the brand on social media (Montalvo, 2016).

Frequently overlooked in discussions of advertising strategy, brand awareness is a crucial consideration. It may be thought of as a buyer's ability to identify a brand within a category in sufficient detail to make a purchase. It is important to remember that sufficient detail does not always require identification of the brand name. Often it is no more than a visual image of the package that stimulates a response to the brand. Moreover, recall of the name is not necessarily required because brand awareness may proceed through brand recognition. When a brand is recognized at point of purchase, brand awareness does not require brand recall. This is a key point in the consideration of brand awareness as a communication objective. In fact, this difference is often misunderstood by marketing and advertising managers. The difficulty relates to the essential difference between recognition and recall, a difference that is extremely important to advertising strategy. Brand recognition and brand recall are two separate types of brand awareness. The difference depends upon the communication effect that occurs first in the buyer's mind: category need or brand awareness (Percy & Rossiter, 1992).

The ultimate objective of most businesses is to increase sales and income. Ideally, brands want to attract new consumers for their products and encourage recurring purchases. Brand awareness refers to how aware consumers and potential consumers are of brand's business and its products. Within a week after its introduction, surveys found that more than 90 % of US consumers had heard about the iPhone because of advertising and news reports. This is an exceptionally high brand awareness, which is near to impossible to achieve for small brands. Ultimately, achieving successful brand awareness means that your brand is well known and is easily recognizable. Brand awareness is crucial to differentiating your product from other similar products and competitors. Truly successful brand awareness often takes time to develop. First, there is the time required to develop an effective awareness effort. Then, there is the time required for your message to reach the potential consumers. A few consumers will respond early, but most will take time to hear about your products, make a decision to try them, and only later return for more. (Gustafson & Chabot, 2007).

In many purchase situations, the brand is quite literally presented to the consumer first, and this is what stimulates the consumer to consider the relevancy of category need: ''Do I really need or want this?'' The sequence in the buyer's mind reads as follows: the recognition of the brand reminds me of category need. It is important to understand that a brand may fail a recall test yet be recognized in the store at the time of the purchase decision and bought. A

good illustration of what we are talking about here is the process most people go through when food shopping. Most shoppers only have category reminders (e.g., washing detergent, rice, etc.), not brand names, on their list. Shoppers rely upon visual reminders of their needs as they scan the packages on the shelf and brands are recognized. Clearly, then, when purchase selections rely upon recognition, advertising should feature the package as it will be seen in the store (Vries & Carlson, 2014). In other decision-making situations, the brand is not present. A category need is experienced first, and then the consumer relies upon memory to generate possible solutions. In this case the consumer must recall a brand, or several brands, from memory to decide. For example, if a family decides to go out for lunch at a fast-food restaurant, they are unlikely to drive around until they recognize one. Instead, they will recall from memory available alternatives, select one, and then proceed there for lunch. As a rule, the first recalled brand (given a favourable attitude) will get their money. In this case, it is important to see and hear the brand name repeatedly linked to the category need in advertising. Brand awareness is, therefore, not a simple issue. It has at least two major components; and, in fact, one can even look at recognition brand awareness as being either visual recognition or verbal recognition. The important thing to understand is that brand awareness is a function of whether recognition of the brand drives category need (recognition awareness) or whether category need drives brand awareness (recall awareness). This distinction is critical to effective advertising strategy (Percy & Rossiter, 1992).

Social media is great place to target both two major components, visual and verbal recognition. By constantly providing photo and video material on social media platforms, the brands can create the visual recognition of their brand and its products, meaning that their brand drives category need for their consumers. On the other hand, brands can post meaningful written and photo content, participate in trending Twitter debates, creating Instagram live video to communicate with their consumers, interact with their audience in the comments, organizing giveaways to spread verbal recognition of the brand. This will contribute to consumer recalling the brand in the decision-making moment and that will drive them to visit the brand's branch or restaurant and bring money and business to the brand, which is the final objective.

There are some good examples of brands applying social media platforms to spread brand awareness. The Twitter, ("30-Rock," 2011), and Facebook, ("30 Rock|Facebook," 2011), presence by the television series, 30-Rock, is an example of the promotion of the show's brand by a network. The show's social media presence communicates with the followers of the series on the characters or episodes thereby reinforcing its brand awareness. The benefits of the network's postings directed at the show's followers on Twitter and friends on Facebook, indirectly spill-over to the status pages of the followers of the followers and the friends of the friends multiplying exponentially its reach and influence which is known as Metcalfe's Law, (Karlgaard, 2005).

2.4 Brand loyalty

Building and maintaining brand loyalty has been a central theme of marketing theory and practice in establishing sustainable competitive advantage. In traditional consumer marketing, the advantages enjoyed by a brand with strong consumer loyalty include ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced selling costs, a strong barrier to potential new entries into the product/service category, and synergistic advantages of brand extensions to related product/service categories (Reichfeld, 1996). A positive correlation is believed to exist between the amount of brand communication and brand loyalty, meaning that greater the power of communication between the brand and the consumer, the higher the consumer's brand preference and brand loyalty (Bilgin, 2018). The advent and growth of "Business to Consumer" (B2C) e-commerce has magnified the importance of building a loyal visitor base to an e-commerce website (e-loyalty). Most B2C e-business models have relied initially on an intensive effort to generate a large enough consumer base and subsequently on achieving profitability based on a "lifetime revenue potential" from each loyal consumer (Porter, 2001).

Traditional brands with high brand loyalty have enjoyed a certain degree of immunity from price-based competition and brand switching (Dowling & Uncles, 1997). In e-markets, however, this immunity is substantially diminished due to how easy price comparing among shopping agents is and because competition is just one click away. Therefore, being in a competitive price range is more important for e-businesses in developing and maintaining consumer loyalty (Reichheld & Schefter, 2000).

Brand image building as a strategic tool for developing brand loyalty has been widely discussed in literature, both from theoretical and managerial perspectives (Bhat & Reddy, 1998). The Internet offers unique tools of interactive brand building that have previously not been available through traditional mass media-oriented brand-building strategies. A study of the trends in brand building on the Internet (Nemes, 2000) has shown the importance of domain names as brand name extensions. There is a positive effect of loyal customers on business performance (Lee, Lee & Wu, 2003; Bilgin 2018) in competitive markets of our age (Anderson & Mittal, 2000; Perreault, Cannon & McCarthy, 2013), in the condition where the cost of acquiring new customers is higher than retaining current customers (Lee et al., 2003; Kumar, Batista & Maull, 2011). These processes are therefore gradually increasing the significance of customer loyalty (Bilgin, 2018). The Not only do consumers prefer well known and easy to remember website names, but the website content also plays a significant role in enhancing the overall brand image (Gommans, Krishnan & Scheffold, 2001).

The concept of e-loyalty extends the traditional brand loyalty concept to online consumer behaviour. Although the underlying theoretical foundations of traditional brand loyalty and the newly defined phenomena of e-loyalty are generally similar, there are unique aspects of it connected to the Internet based marketing and buyer behaviour. Schultz (2000) describes

consumer/brand loyalty in cyberspace as an evolution from the traditional product driven, marketer-controlled concept towards a distribution driven, consumer controlled, and technology-facilitated concept. As stated by Moisescu (2014) brand loyalty is a significant non-material asset for businesses. In addition, e-loyalty also has several parallels to the "store loyalty" concept (Corstjens & Lal, 2000) such as building repeat store visiting behavior as well as the purchase of established brand name items in the store. As extensively discussed in Schefter and Reichheld (2000), e-loyalty is all about quality consumer support, on-time delivery, compelling product presentations, convenient and reasonably priced shipping and handling, and clear and trustworthy privacy policies.

The recent studies of e-loyalty have gained interest from academics and other experts in this field, primarily due to intense online competition (Parra-Lopez, Martınez-Gonzalez & Chinea-Martin 2018), and the decline in loyalty levels toward e-commerce websites (Bilgihan, 2016; Chou, Chen & Lin 2015). There are assumptions that this may be the result of low customer's search cost in virtual environment; consumers can easily and conveniently navigate and compare prices and various service benefits online, making brand loyalty scarcer and at the same time switching of prioritized brands a common pattern (Bakos 1991; Keiningham, Vavra, Akson & Wallard, 2005). In previous literature (Toufaily, Ricard & Perrien, 2013; Bilgihan, 2016) the link between service quality and customer satisfaction, and their relationship with loyalty, regarding the online workspace and context have been examined and showed that the relationship between customer satisfaction and loyalty should be studied with the assumption that people want to maximize their utility. Thus, there is a need to develop new mechanisms and practices to attract customers, encourage online shopping, and activities to increase e-loyalty for brands (Toufaily et al., 2013; Kaya, Behravesh, Abubakar, Kaya & Orús, 2019)

The high involvement in the product design on the part of the buyer inherently creates a stronger affective relationship with the brand that subsequently leads to brand loyalty. The accumulated consumer knowledge base over several transactions allows the e-marketer to sharpen the customized offerings and prevent competitive inroads. The combination of consumer involvement in product design and a well-known brand with associated product quality and guarantees increases the probability that product performance meets consumer expectations (Gommans, Krishnan & Scheffold, 2001).

Why is brand loyalty so important? As it can be seen in Figure 11 it costs six to seven times as much to attract a new consumer than to keep an existing one (Saleh, 2019). An extremely important rule of any business is to retain consumers and build a loyal relationship with them, and thereby avoid consumer acquisition costs. Across a wide range of businesses, consumers generate increasing profits each year they stay with the company. In financial services, for example, a 5 % increase in consumer retention produces more than a 25 % increase in profit since return consumers tend to buy more from a company over time. As they do, the

operating costs to serve them decline. As an additional benefit, return consumers refer others to your company. And they will often pay a premium to continue to do business with you rather than switch to a competitor with whom they are neither familiar nor comfortable (Reichheld, 2001).

Figure 11: Retention vs aquisition cost of consumers
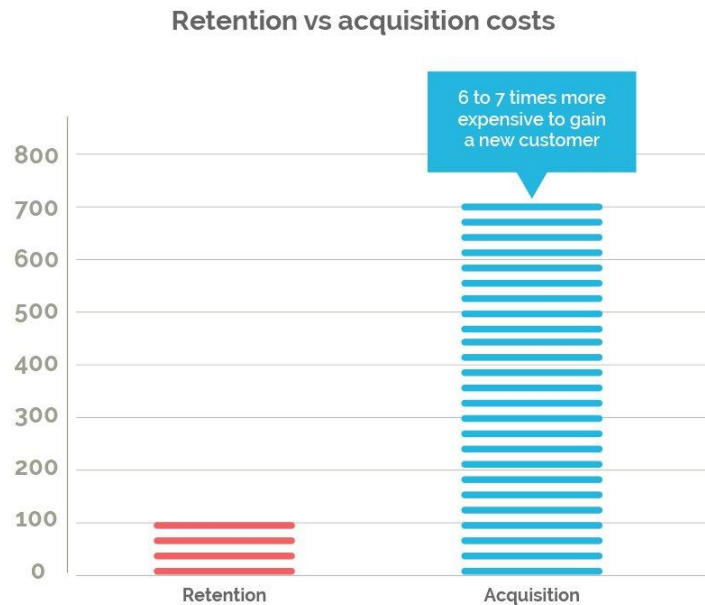
Source: Saleh (2019).

Social media offers excellent opportunity for the brands to retain their consumers, but at the same time this could mean that the competition is able to retain their consumers if applying the correct social media strategy. The key for retention of consumers using social media is consistency. Brand has to be consistent with its strategy to create a community of entertained and satisfied followers (who at the same time are consumers) and interact with their audience as much as possible (Usman & Navari, 2019).

2.5 Brand identity

Brand identity is based on a thorough understanding of the firm's consumers, competitors, and business environment. The brand identity needs to reflect the business strategy and the firm's willingness to invest in the programs needed for the brand to live up to its promise to consumers (Aaker & Joachimsthaler, 2000). Strong brands enjoy consumer loyalty, the potential to charge premium prices, and considerable brand power to support new product and service launches. Companies need to have a thorough understanding of consumer beliefs, behaviors, product or service attributes, and competitors. It is very important to have well developed communication channels, since interactions with their consumers and target audience through these channels unfold as a co-creation process of brand identity, whereby

brand managers and other stakeholders, individually and collectively "use, talk about, and construct brand identity while enacting their own identities" (Von Wallpach, Hemetsberger & Espersen, 2017; Essamri, McKechnie & Winklhofer, 2019)

The conception of brand identity includes everything what makes the brand meaningful and unique. A brand includes the characteristics of goods as well as a set of other elements, entailing brand identity. This is a new conception; however, when the differences of a certain category of goods start to decrease, the concept becomes the major subject of investigations. Identity includes moral image, aim and values that together constitute the essence of individuality while differentiating the brand (de Chernatony, 1999). The identity of the strongest brands covers emotional benefit, which provides the strength to a brand. However, rendering the equity to the consumer the good needs to provide a functional benefit as well. The additional value is rendered if the good provides the benefit of self-expression that, in turn, reflects the image of the consumer (Aaker, 1996). According to researcher Grundey (2002) the brand identity is the most important stage of the identification of a good from the quality on which the further existence of the good depends. The main principled provision of brand identity is a way, which becomes a possibility to reach the consumer. A brand must "interact" with consumers because this is the condition to remain on the market.

Social media allow brands to communicate with their consumers daily and brands should take different approaches for their communication with consumers on different platforms. On platforms like Snapchat and Tik Tok the content should target younger generations through the mix of entertaining short videos and creative photos. Twitter is the platform targeting adults; thus, the content should be more formal, and fact oriented. Through trial and error, the brands can figure out, which works best for them on each platform; an important part is also the constant communication with consumers.

3 RESEARCH FRAMEWORK AND METHODOLOGY

After a holistic theoretical overview of the concerned topics and frameworks, this research continues with the empirical part of the study. To highlight the purpose of this thesis, the research objectives and thesis goals will be presented. In the next step, the procedures to achieve these goals and to ensure the completion of the main purpose of the study will be displayed. The third step outlines the methodology, explaining the measures and testing methods that were have been used for the collection and analysis of the primary data.

3.1 Research objectives

The research has one main purpose and three supporting goals. The main **purpose** of the research is to determine how the consumer-based brand equity is developed via social media. The **goals** of the thesis, therefore, are:

(1) to determine if and why social media presence is so important for the brands and how a good content creation on social media affects brand's equity, from the perspective of the brands;

(2) to determine how the consumers perceive brand's presence on social media and what they expect from it;

(3) to analyse the data gathered from the interviews with the brands and the results of the questionnaire and to conduct a useful insight and conclusion.

The first two goals were have been achieved with the help of some research questions while the third goal simply gathers valuable insight for brands that will help them plan their social media presence and campaigns in a more efficient way. These insights are also aimed to help brand marketers determine which type of content to post on which social media, which social media work best for the brand, how to communicate with online audiences and if they should be thinking about paid campaigns and collaborations with influencers on social media. Finally, the findings illuminate influential indicators brands to gain momentum and leave a mark in awareness–building or boost the brand image and drive more sales.

3.2 Research questions

To successfully reach the purpose and the goals of the research, a few research questions have been prepared, to get the answers. These research questions are as follows:

(1) How important is social media presence from perspective of brands?

(2) Are the brands knowledgeable about the difference between social media marketing and social media management?

(3) Do consumers believe that social media presence of brands is important and why?

(4) What kind of expectations do consumers have from the brands on social media?

To provide useful answers to the first two research questions, theoretical research has provided a great basis and fundamental background of the topic. Secondary data research can be a great source of information, since it offers a good understanding of the data that needs to be acquired in primary research. Acquiring information directly from people working in the field of research is the best way to get the insights trying to be obtained. There are several different ways of performing primary research and in this case I have chosen to conduct interviews with managers of two brands are actively present on social media.

My decision was based on a few different factors. Firstly, interviewing brand managers who do have experience working with social media, seems to have been the right decision as talking to a brand manager, who does not use any social media platform for the brand, might not have been useful. Secondly, speaking with young people, who are actively learning and are aware that social media is very much likely to stay, and that they need to find a way to use it in their favor, has proved to have been a wise choice as well. Thirdly, speaking with

two people from different industry branches to determine whether there has been any difference in their responses based on the industry, they are operating in has resulted in some valuable information. I have chosen Mrs. Ortega as I had the pleasure of meeting her and working with her as a content creator. I have witnessed her passion for learning about social media and expanding her customer base. She is radiating with positive energy, and she perfectly fits the criterium, that I was looking for. My second choice, Mr. Gomez, an entrepreneurial, who has been actively pursuing his goal of expanding his brand through social media, has proved to be an asset to the research as well. Namely, after meeting and talking with him for several times, I have found out that he is able to provide the brand perspective insight that I have been looking for. The passion and creativity of this young entrepreneur is remarkable, and I feel privileged that I have been able to include the interview with him and his insights in this research.

The reason for doing the interviews instead of a questionnaire, when trying to get hold of and understand the perspective of the brands, is that the questions provided were mostly open questions which are hard to answer, they are time consuming, and the emotional status of the respondent cannot be evaluated. My plan was to get the best insight possible into the thinking process of brand managers and see either their emotions or lack of them discussing topics in question. However, due to the pandemic, interviews in person were unfortunately not possible, so second-best alternative was interviews via video calling platforms, which is exactly how they have been conducted. The two in depth interviews helped me answer the first two research questions.

The second part of my empirical research has been conducted as an online survey in form of a questionnaire to gather answers from consumers and to better understand their perspective. In this case, where multiple respondents are needed, the interview is not the best method to use. I firmly believe that questionnaire is the most useful approach since it offers a chance to get answers from bigger sample size, by just sharing the questionnaire link on social media, where a lot of people can access it at the same time. I was aiming for at least 150 completed questionnaires, which are believed to be an appropriate sample size for the purposes of this research. The goal has been achieved, resulting in 219 completed questionnaires. Based on the analysis of these questionnaires, I managed to answer the other two of my research questions.

3.3 Methodology

The methodology of this research is based on primary and secondary data sources. The theoretical framework and definitions of the discussed concepts are based on obtainable academic secondary sources and analysis of statistics and research papers on social media, brand equity and related topics. For the second, more empirical part of the study primary data has been used, collected through a qualitative and quantitative research. Firstly, **two interviews** with brand representatives of brands that are actively present on social media

were conducted. As mentioned above, Mrs. Ortega and Mr. Gomez are the interviewees, perfectly fitting my criteria; they are both managing brands, present on social media, they are both young and passionate about their work, and their eagerness to learn and improve is enviable; which is more, their brands are operating in different industries, therefore providing a specific and different insight for each industry. The interviews have been important to gain a deeper understanding of the brand perspectives about social media, highlighting additional insights of their perceptions, and assisted in the construction of a relevant questionnaire for the consumers. Based on the respondents' answers, some questions initially intended to be included in the questionnaire have been replaced by new ones, some have been omitted, and some new added.

Secondly, the **survey questionnaire** is the second part of the empirical research and was conducted after the brand interviews. Due to the study's research purposes, I had very limited resources: a time limit of about 7 months, no funding, and all phases of an otherwise extensive research (defining research objectives, designing online questionnaires, preparing interview questions and conducting them, selecting a sample framework, entering and editing data, analysis of primary and secondary data, etc.) have been done by myself. Due to the above limitations, a convenient random sample in an online survey has been used to cover the target population of the research. The target audience, namely young people, predominantly between the age of 18 and 35, frequently use social media platforms and interact on them. The questionnaire has been published on my Instagram profile, since the first condition for the respondents targeting at was that they use social media. Since my Instagram followers are predominantly young people between the ages of 18 to 35, they are the perfect sample audience for the purposes of my research (this data can be seen in Figure 12). The goal was to get at least 150 respondents from the target population. In the end, 219 fully completed questionnaires have been obtained.

The questionnaire consists of eighteen topic–related multiple-choice questions, focusing on expectations that consumers have on brands presence on social media, identification of consumer's habits on social media and their engagement level with brand related posts on social media. Questions have stemmed from the theoretical part of the research and from the information and insight obtained in the interviews with Mrs. Ortega and Mr. Gomez. The theoretical part of the research has crucially affected the preparation of the first part of the questionnaire questions, since an overall image of the respondents' use of social media has been sought. The questions for the second part of the questionnaire have been prepared based on the analysis of the interviews, since they aimed at a better understanding of consumers' expectations from brands on social media and also at obtaining valuable data for brands and their future social media strategies. Multiple choice questions have been used in order to better understand the thinking process of consumers, who have been given several topic related options targeting at a higher completion rate of the survey questionnaire. At the end two demographical questions have been added to clarify some of the results.

Before the survey was published it had been pre–tested by a small group of potential respondents, with the goal of removing potential mistakes or confusing wording in the questionnaire and to check on the understanding of its content. The experiences of working with brands as an influencer and also working with influencers as a representative of the brand, I firmly believe that my previous knowledge and insight have had a positive effect on the final findings, along with the aligned theory research performed for the purposes of this thesis and the two in depth interviews with the brand managers.

3.4 Data collection

Secondary research has been based on the already existing sources of information to gain more insight and knowledge about the research topic. Being highly interested in the topic, the time spent on this part of the thesis is quite substantial and many different resources and bibliography have been used as well. The focus was on professional business journals, scientific and scholarly articles, and some books have proved to be of extreme help as well. For more recent and actual topics a few topic related online articles and news articles have been found and used profusely.

The research of primary resources with important data for this thesis consist of two parts. In the first part two interviews with brand managers have been conducted to get the understanding, the reasoning and the goals of the brand's social media presence. The plan, having been executed perfectly, has been to get firsthand experience from Mrs. Ortega and Mr. Gomez about the importance of social media for their company/brand and trying to understand their success stories with regard to social media. The questions included in the interviews have been mostly open-ended questions, since in the interviews, that is the best way to obtain qualitative data. After obtaining the data from the consumers as well, I teamed up with Mr. Gomez. since I believed He did not implement the brand's full potential for social media growth , therefore, based on the final analysis and findings plans were suggested to improve the brand's social media presence and to maximize its utility.

There are a lot of social media managers, saying that by trial and error and seeing what works best for a specific brand, the best results are achieved (Clark & Melancon, 2013). I do partially agree with this, but I also believe that with enough data available, the brands can make better judgement of what might work for them and that is what will have been achieved/proved with the questionnaire for consumers. A questionnaire needs to be made clearly and precisely in order to minimize the risk of errors in survey research, e.g., item non-response. The questionnaire was conducted as an online survey built on the Google forms. The decision for Google forms seems to have been the best alternative because of worldwide accessibility of the platform (Dollarhide, 2020). Responses were gathered by convenience sampling, while the link to the survey was publicly distributed on my Instagram profile and few WhatsApp groups. For the initial testing, the link to the survey was sent to some addressees directly by private messaging platforms, such as before mentioned WhatsApp and

Facebook Messenger. After the survey had been published, most of the respondents found the link to the survey on their personal newsfeeds.

A pilot test with 15 respondents having been conducted, it was followed by collecting data through the administration of an online questionnaire, shared on my Instagram page. Having published a few surveys on my profile earlier, my followers coincide with the target sample audience. This can be seen in Figure 12. The data analysis has been based on 219 completed questionnaires. To start the questionnaire, respondents were first asked to answer general questions related to their use of social media. That was followed by a set of more specific questions which served the purpose of clarifying the research questions and further understanding of the expectations of the consumers for brands on social media. The survey has been concluded with two demographical questions. The exact questions asked in the survey, will be presented in the chapter about consumers' perspective on social media presence of the brands.

Figure 12: Age Insights of Jaka Sirok's followers

Age Range   **All**   Men   Women

13-17	7.0%
18-24	42.4%
25-34	42.0%
35-44	6.3%
45-54	1.5%
55-64	0.4%
65+	0.5%
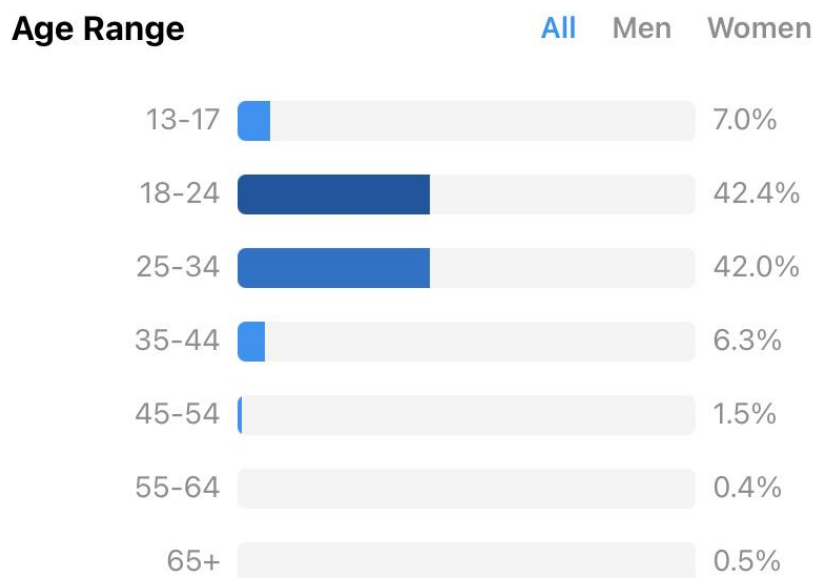
Source: Instagram (2021).

4   BRAND'S PERSPECTIVE ON SOCIAL MEDIA PRESENCE

Companies and brands have different approaches when it comes to marketing strategies, and these approaches are usually guided by their marketing budgets and the risk-aversity of their marketing managers. Managers with higher risk-aversity level tend to avoid trying new marketing techniques and prefer to stick to the already established strategies and platforms. Similarly, managers who have a smaller marketing budget tend to plan their expenses

thoroughly and they usually choose to go with an already established marketing strategy that they have already tried and try to avoid testing new platforms and new ways of marketing since they cannot afford to spend a big portion of their budget on something that may prove to be a waste of money (Kaul & Desai, 2016). Social media is not a new phenomenon in the marketing world, but some companies are still discouraged to use some of the new social media platforms to promote their businesses. Some of the big brands did not think the Tik Tok will stay relevant for a longer period of time and decided not to invest a lot of marketing efforts and budget in promoting on the platform while others like NBA, UEFA and Gymshark have gained a lot of followers and likes on the platform by being one of the first market movers and shakers to invest heavily in the platform marketing and content creation and they are seeing great results (Reitere, 2021). Different brand perspectives on their social media presence will be shared on the next few pages.

As mentioned before, for the purposes of this thesis I two interviews with brand managers have been conducted to get an insight into perceptions of the brands regarding social media. The first interviewee was Ashley Ortega, the founder of travelling Agency Bon Voyage Travellers, and the co-founder of wedding planning agency Dream Destination Weddings, and the second interviewee was Billy Gomez, an entrepreneur, and the co-founder of Reto Globi. The decision has been made based on the idea that two people working in different industries, would share their perspective on social media inclusion into their brands which would result, as it had been assumed correctly, in answers to the questions having been asked by myself. The interview has been divided into three parts: the first part being about the importance of brand's presence on social media, the second part being about social media engagement, and the third part being about measuring success of social media presence. The findings form the interviews have proved to be interesting, and of an immense help in answering some of the research questions.

4.1 Importance of social media presence

Both brand managers have been asked to present their brands first. Mrs. Ortega has two brands, the first one being a travel agency Bon Voyage Travellers (Ortega, 2020); the agency organizes journeys, vacations, tours, weekend getaways for individuals and groups. The years of experience have brought the agency special deals with hotels and discounts with tour providers. The second brand, created in the beginning of 2021, is called Dream Destination Weddings (Ortega & Arizpe, 2021) and it is basically a wedding planning agency, focused on destination weddings, especially weddings on the beach.

The next question about the importance of social media presence for her brands, was responded swiftly/immediately (see Appendix Brand Interview #1).: 'That is definitively 10 for me. If I do not have social media, I do not have clients. I have to be present on social media, create content and raise recognition of my brand, so more people get to know me and my work.' (Ortega, 2021). No hesitation and complete honesty in her response made me

optimistic about the rest of the interview because that is exactly the kind of interviewees and data that I was looking for. The following question was more technical, inquiring about the difference between social media management and social media marketing. Again, with total honesty she replied that she did not know the difference between the two terms, but that she was actively learning about all social media related topics, because she was aware of the importance and opportunities created with better understanding of these topics.

She told me that her brands were present on Instagram and Facebook, and that she wanted and planned to create a Tik Tok profile to share brand awareness and good brand image. She also mentioned that Twitter and LinkedIn did not appear to her as the platforms on which her brands would have to be present, since they were more informative platforms and especially LinkedIn more business to business oriented, while her brands were in the business to customer segment. She has thus proved to be really educating on the topic of social media regarding brand recognition and business results.

The second interview was conducted with a young entrepreneur Billy Gomez. He created an online fit challenge Reto Globi (see @retoglobi) for people who want to make positive changes in their lives, starting with regular exercise and healthier eating habits (Fernandez, 2020). The reason behind is that he had problems with inappropriate nutrition, and he was not exercising often. He decided to change his life, eating healthier and exercising regularly. Due to the results, he has achieved, he wants to help other people do the same. He is proud of his brand and told me that it had been created in collaboration with experts in the fields of nutrition and exercise. Currently, it is a 100 % online brand, because it was created in the beginning of 2020, but the long-term plan is to build a community that will get together in person and work out together.

The question about the importance of social media presence for his brand, on a scale from 1 to 10, has been replied (see the Appendix Brand Interview #2): 'I would say 10, because currently everything that we do is online. I believe people like the easy availability of training videos and instructions that we post on our Instagram account and our WhatsApp group, where we have exclusive chat for the people who participate in the challenge. I feel also that people are getting accustomed to watching videos of trainings and exercises and do them at home. Being a part of our community where people motivate each other under our posts on Instagram and in the group, really adds value to our brand and that wouldn't be possible without social media.' (Gomez, 2021). Since his brand is purely online, it has come as a surprise that he did not know the difference between social media management and social media marketing. The difference between these two categories is of utmost importance for all the brands that are present on social media, and especially for the brands that are present only on social media. However, based on the interviews conducted and on consulting more entrepreneurs, it is not such a widespread knowledge as it has been expected to be.

Another surprise has come with the answer that Mr. Gomez his brand is only present on Instagram and Facebook. For this type of brand Tik Tok or YouTube could also be considered useful. His try with YouTube was not successful since a constant contact with his audience is very important to him which is easier achieved on Instagram. He is focusing on the growth, therefore I suggested Tik Tok (see Appendix Brand Interview #2), a platform that offers the highest potential for organic reach among the before mentioned ones. As he does not find the platform functional at the moment, he will proceed with his plans and try to find an appropriate platform later.

Social media engagement

The second set of questions was about social media engagement. Mrs. Ortega informed me of being very active, especially on Instagram, posting numerous stories every day. She is constantly trying to engage with her followers by posting polls, questionnaires, and quiz questions as a part of daily routine. Since her job involves a lot of travelling and visits of luxury hotels, tour activities, hotel inaugurations, discovering new destinations and first-class beaches, she can create impressive content for her audience on social media. She regularly posts photos and videos from inside the hotels, where she has been offered special deals, to give the people 'behind the scenes' an insight into her travel plans and offers. Her activities, which are well accepted by her followers, are bringing her clients as they can see the transparency with which she does her business. Having followed her brand's Instagram profile for a period of time has convinced me about the quality of her work. Especially some super limited offers on the brand's profile get her many clients and sales (see Appendix Brand Interview #1). Overall, she believes that having a good relationship with her followers and of course clients, is a sustainable way of doing business for the future, therefore, she replies to every message she gets on social media and also tries to respond to all the comments below her posts.

Mr. Gomez is convinced that social media engagement is really important for his brand and that he is constantly trying to come up with new and interesting dynamics which keep the brand's followers engaged. Same as Mrs. Ortega, he posts various stories on a daily basis; as he is trying to provide valuable information for his audience, numerous Reto Globi's posts are informational and highly educative. Posts about nutrition and examples of workout videos have been well accepted by his followers. Instagram Reels, which are Instagram's response to Tik Tok (short videos of up to 30 seconds), work extremely well for the brand, giving them a lot of exposure, since Instagram has been pushing this new tool quite hard on the platform (Hudson, 2020). He also posts Instagram live videos twice per week, usually with famous content creators or athletes, which are well appreciated by brand's audience and followers. To keep followers engaged and entertained, he also organizes Q&A sessions, where his followers can ask him a variety of questions, even more personal ones, in order to create a deeper connection and trust with his community (see Appendix Brand Interview #2). When

asked about the kind of content that works best for his business, he scored Reels are the best performing content on his channel, next to live videos with influencers which also bring a lot of exposure to the brand.

It is therefore obvious that both Mrs. Ortega and Mr. Gomez are aware of the importance of good engagement on social media. Although Mrs. Ortega has revealed that a high number of followers is not very significant for her, she is doing everything she can to keep her followers interested in her content and engaged on the platform, because this is the best option to turn followers into clients. Many of her clients follow her brand's profile on Instagram and by constantly posting interesting content and good promotions, this helps her with customer retention, apart from providing memorable trip and event experience for her clients. Mr. Gomez is taking a more focused approach only on Instagram, however, by following intensely the growth of his brand's profile, he must be doing his job well by keeping the followers engaged.

4.2 Social media as a driver of success

All the brands that are being present on social media are motivated to do so by various factors (Hudson, 2020). Some want to be in the trend, others want to drive direct sales to their websites, some want to create communities, some just want to stay relevant, others want to create value for their followers, etc. With so many reasons on mind the next question in both interviews has been formed.

Here you can read Mrs. Ortega's exact words about what she expects from being present on social media (see Appendix Brand Interview #1): 'Honestly, the number of followers is not important to me. I prefer to gain 40 followers in my profile in a year and get 25 new clients out of this compared to gaining 1000 new followers and just 10 clients. Of course, having followers is nice and by posting good content you get more followers but for my business I need clients, so my social media presence and the content that I post is aimed to that.' Motivation for her social media presence is acquiring new clients, therefore her success is measured by the number of new clients acquired on social media platforms and by the number of clients retained. Despite the fact, that having a big following is not one of her brand's objectives, she understands that these followers can turn into clients and that is why she is putting so much effort in her social media presence. By having successful platform, full of engaged, interested, and satisfied followers and clients she will also be able to achieve her definition of success – a higher number of clients.

The next question was if she had performed any paid social media campaigns, namely, if she had invested money in Facebook Ads, YouTube ads, Tik Tok ads, etc. Her answer was that she had performed various paid campaigns on Facebook and Instagram but had finally found out that ads on Instagram had worked far better for her. Her explanation is that it might be like this because of the type of content and target audience that her brand has. More people

are searching for travel ideas on Instagram, where many people post their photos and videos from their travels and inspire others. Her plan is to continue doing paid campaigns on Instagram and to stop investing on ads on Facebook. To the question if her brand had collaborated with social media influencers, she answered positively (see Appendix Brand Interview #1).: 'Influencers were and still are very, very, helpful for my brand, because due to various collaborations I've gained a lot of new followers, which became clients (that's the kind of followers that I like…laughter) and later these clients recommended our brand to their friends and they became clients too.' Her campaigns with influencers were measured by special promotion deals that only influencers promoted, and they have sold many of these deals, meaning it was a successful collaboration and a success for the brand. Mrs. Ortega is confident that the industry which she is operating in, is perfect for such collaborations and that she will work with more influencers in the future.

I also asked her if she had ever worked with a social media agency or with a freelancer that would help her managing social media. She confirmed that currently she was working with a freelancer, because the workload is too big for herself to handle everything alone. However, she is not satisfied with his work and contribution to the brand, so she is looking for a new freelancer, as she has realized how important part of her business social media is. The last question of the interview was about her perspective of good brand image on social media. She told me that she believes that good brand image on social media was very important for her brand and will continue to be so, which is more, it might even increase in the future. She is certain that without it, it will be impossible to be competitive in her industry (for more details from the interview see Appendix Brand Interview #1).

During the interview with Mr. Gomez he was asked the same questions. On the topic of his expectations from social media presence of his brand, he told me that currently, growth was his biggest objective, apart from the main objective of starting his brand, i.e., to help people change their lives in a good, healthier way. He wants to grow this brand nationally and internationally in the future (see Appendix Brand Interview #2). He also hopes that by having a strong community behind him with a good engagement and a lot of support, he will be able to acquire some sponsorships from big brands that promote healthy lifestyle. With this kind of sponsorships, he could then make this brand as big as he plans, hoping to help thousands of people to acquire a healthier lifestyle. He also told me that so far, all the growth had been organic as he had not spent anything on paid social media ads.

On the other hand, Reto Globi has collaborated with some influencers (see @retoglobi), content creators and athletes who have been helping to spread the brand awareness on the platform, and to gain new followers and participants in the challenge, which is considered a big success by Mr. Gomez. He is planning more collaboration with influencers in the future, and he is also looking for a freelancer to help him with raising brand awareness on social media, managing campaigns and overall help with the brand's social media presence.

According to his words a good social media image for his brand is of crucial importance to him. The brand needs good energy, and strong community behind it, if any long-term growth is to be expected (for more details from the interview see Appendix Brand Interview #1).

Both interviewees have an interesting insight into social media world and into the presence of their brands on social media. Conducting these two interviews also helped me get answers on two of my research questions. Both Mrs. Ortega and Mr. Gomez answered that for them, social media presence of their brands is very important, and I believe that is the right answer for majority of brands. I also believe that, if different group of brand managers would be interviewed, for example, such that manage brands which almost have no social media presence, the answers could be very different, but as before mentioned the plan was to get answers from young entrepreneurs who are managing brands that are present on social media. I also believe that it is important that people educate themselves about social media and that brand managers realize the value and opportunities that are out there because of social media. There are many different marketing strategies and many different viewpoints on the extent to which social media will influence the brands in short and long-term, but I believe, that it will continue to grow in importance in the future.

My goal was to interview two people knowledgeable about social media platforms and who know the importance of these platforms for their business. With the interviews completed, I realized that I had chosen to interview two suitable and appropriate brand managers for the purposes of the thesis, since the experiences they had gathered have been of extreme support to my research. Nevertheless, the answers to one particular research question from both of my interviewees are rather surprising. Namely, neither of the two interlocutors knew the difference between social media marketing and social media management, although both of them confirmed that they were being educated about social media and had revealed their knowledge about the topic. It could be concluded that there is probably a low percentage of individuals and brand managers, especially of smaller brand, who are aware of the difference between social media marketing and social media management. In my opinion, this is intriguing, since based on my experience it is very important to differentiate between the two and work on them individually. The problem might be that brand managers who seek help from social media agencies of freelancers, can easily be tricked into spending money on a 'social media expert', but as they do not know all the tasks asocial media manager should be doing, such an 'expert' only does the bare minimum and thus exploits brand managers, who believe to benefit greatly. This is especially a problem for smaller brands with lower budgets and brand managers who are not so knowledgeable about the topic. These findings have further on triggered an idea about helping brand managers to get more educated about social media.

The aim of the research has been to raise a better understanding of consumer's expectations on social media and to help brands to develop CBBE with the help of social media.

Therefore, it is only logical that I decided to share the final findings of my research with Mrs. Ortega and Mr. Gomez as a sign of gratitude for taking the time for the interviews and helping me with research. They both have considered and applied the final findings provided to their social media strategies and have already welcomed the results. I have also joined Reto Globi brand as a social media manager and helped the brand to achieve one of their main goals, namely the growth of the brand and the establishment of a loyal and strong community of followers and supporters. In three months, the brand's Instagram account grew from as little as little 700 hundred followers, to almost 20 thousand followers, see the Figures 13 and 14. The negotiation for sponsorships have also begun which resulted in a few smaller brands willing to support the project and the brand. Now Reto Globi is a more recognizable and has a lot of potential growth especially because of providing continuous quality content and value to the brand's followers.

Figure 13: Reto Globi Instagram followers 15.2.2021

Source: Instagram (2021).

The growth has been done without any paid social media campaigns. This shows that with the right amount of work and knowledge, with a good plan, and through creating good content and providing value to the audience, brands can raise their brand awareness and positively affect the brand's equity.

Figure 14: Reto Globi Instagram followers 27.5.2021
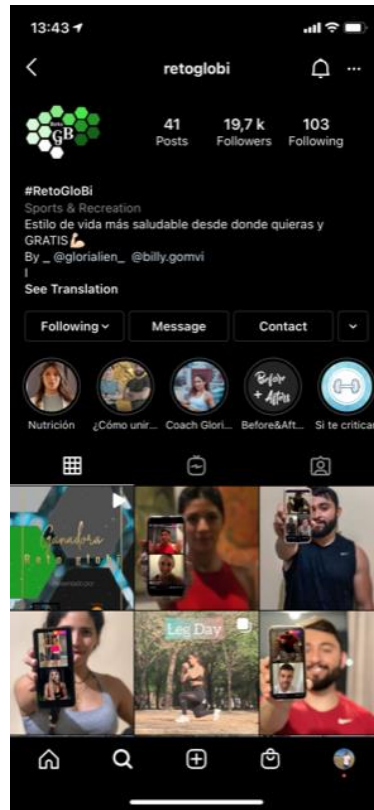
Source: Instagram (2021).

5 CONSUMERS PERSPECTIVE ON SOCIAL MEDIA

The perspective of consumers is another vital part of the thesis, and at the same time very important for social media presence of a brand and its marketing plan since it should correlate with the brand's marketing strategy (Gustafson & Chabot, 2007). For example, if a brand thinks being present on the radio is important for it, yet its consumers do not listen to the radio, this is a big miscommunication and a wrong analysis of the market by the brand which will probably result in a failed campaign and potential financial losses for the brand. As mentioned in the methodology part of the thesis, to determine whether the consumers believe that brands should be present on social media, an online survey about this topic has been conducted in a form of a questionnaire. The survey consists of not more than 20 questions since the rate of completion of longer and more time-consuming surveys is lower. The plan was to get at least 150 questionnaires completed; the goal was reached, since more than 200 people participated in the survey.

As mentioned in the chapter about methodology, the survey was aiming at answers to two of the research questions: is it important for brands to be present on social media from a consumer's perspective and why, and what consumers expect from the brands on social media. The findings will be presented in the continuation of the thesis.

5.1 Importance of social media presence of the brands

The data, collected through an online questionnaire, shared on my Instagram page, include the responses of a younger population, predominantly between the age of 18 and 35, providing they use social media platforms daily. Based on the experience from a few of my previous surveys published on my profile, I knew exactly that many of my followers coincide with my target sample audience (see the Figure 12), therefore I decided to share the link of the questionnaire on my profile. This has turned out as a good idea, since the analysis is based on 219 completed questionnaires. More data about the demographical sample of the respondents can be seen in Figures 33 and 34, as demographical questions have been placed at the end of the questionnaire.

The first question of the questionnaire reads: 'Do you use social media?'. As seen in Figure 15 only one person among the participants said that he/she was not using social media. Positive answers to this question have been expected and the rest of the survey has been designed in this way.

Figure 15: Do you use social media?

Do you use social media?
219 replies

● Yes
● No

99,5%
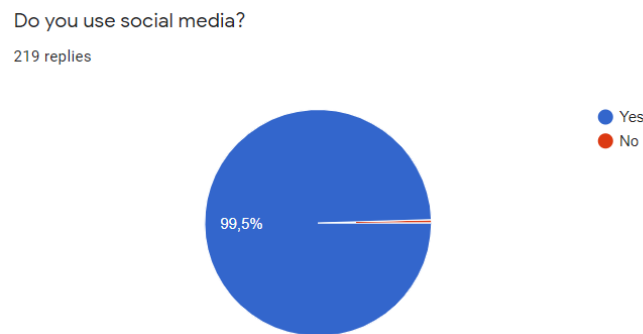
Source: Google Forms (2021).

The next question is about the social media platforms the participants are using. Answers to this question were different from what I expected, because 87 people which is almost 40 % of the participants are using Pinterest (see the Figure 16 for reference). This was not completely according to my expectations, since I believed that less people use Pinterest, but the findings show that this platform should not be neglected when preparing marketing plans. As it can be seen from the graphics Instagram, Facebook, and YouTube are the three most widely used platforms, with Instagram being used by 99 % of the participants. The least popular among

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all the platforms is Snapchat which is slowly but surely losing relevance among the people. As expected, LinkedIn is also not widely popular with just over 20 % of the participants using it. There are some outliers and added answers by the participants, but they can be neglected as they amount to less than 1 %. It is also interesting that less than 40 % of the participants use Tik Tok and this just shows how much more potential for growth this platform has.

Figure 16: Social media platforms
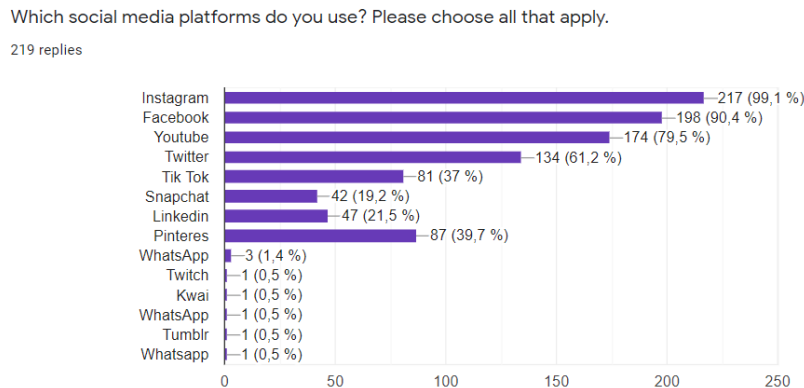
Source: Google Forms (2021).

The next question about how often the participants are active on social media has given the answer that 94,5 % of the participants use it every day (see Figure 17). This shows how very important social media is for our everyday lives and how much of people's attention is focused on it. The numbers alone show that brands should not be neglecting this phenomenon.

Figure 17: How often are you active on social media?

Source: Google Forms (2021).

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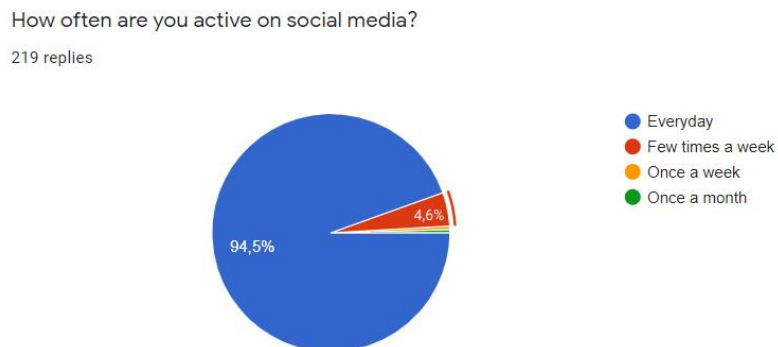
I also wanted to find out the names of social media platforms, on which people spend the most time, because this is also very important for marketers. As shown in Figure 18, more than 70 % of people's answers was Instagram, indicating that Instagram is the most popular social media platform right now. Marketers and brands should c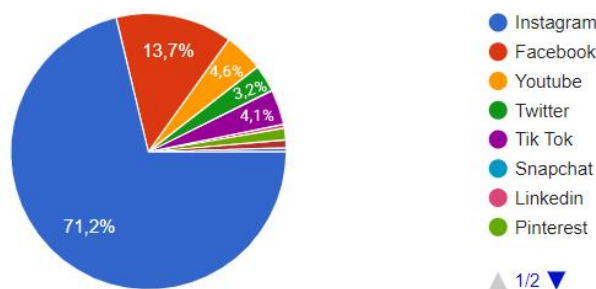onsider this information carefully if they are still not present, or not creating content and advertising on this platform. Instagram is followed by Facebook with 13 % of users spending the most time on this platform, with YouTube, Twitter and Tik Tok only having a few percent each.

Figure 18: On which social media platform do you spend the most amount of time?

Source: Google Forms (2021).

The next question aimed directly at the opinions of the consumers about the importance of brand presence on social media. As seen in Figure 19, more than 95 % of participants believe that it is quite or very important for brands to be present on social media, with 75 % choosing the latter option. This shows clearly that consumers expect brands to be present and active on social media, which should encourage brands to do so.

Figure 19: Should brands be present on social media?

Source: Google Forms (2021).

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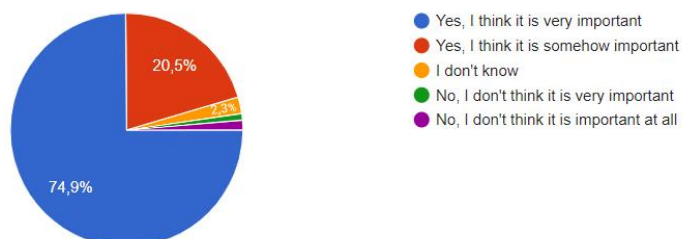
The goal of the next question was to figure out how important it is to perform marketing on social media. As already explained in the earlier parts of the thesis, the difference between social media management and social media marketing is big and there many brands doing social media management but forgetting about the marketing part. This is where higher amounts of money get invested and if done properly also a big revenue is created. Figure 20 is the one that might best portray the importance of social media marketing for brands. 84 % of participants said that they had bought a product seen in advertisements on one of the social platforms. This is an extremely big number which shows that majority of people who spend time on social media are susceptive to social media marketing and buying the products that appear in advertisements. This graphic clearly indicates the impact of social media on consumers and brands and that social media marketing should not be neglected.

Figure 20: Have you purchased a product from an ad you saw on social media?

Have you ever purchased a product that you saw in an advertisement, on social media (Instagram, Tik Tok, etc.)?

219 replies
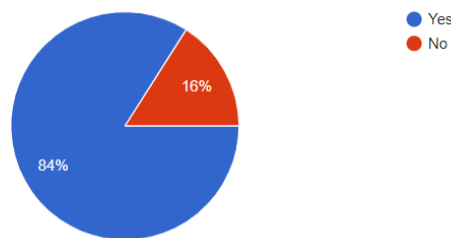
Source: Google Forms (2021).

After the analysis of the first part of the survey, the data and the results are distinctly exhibiting consumers' firm belief that brands should be present on social media, in other words that brands need to be present and active on Instagram. Apart from that, Figure 20 undeniably proves the high utility of the social media marketing. What has been left to determine is what consumers actually expect to see from the brands on these platforms and make a connection between the expectations of the brands and consumers.

5.2 Expectations from the brands on social media

The next survey question inquired about the important factors which make consumers follow a brand account on social media. The most important factor, according to the survey, is good content, with 40 % of the participants having chosen this option, followed by 27 % opting for the experience of the product, and another 20 % saying that they want to connect with other people who follow the same brand. The data can be seen in Figure 21. 11 % of participants follow brand account because of emotional or rational attachment to the brand. These results show that people follow brand accounts for many different reasons, but what they value most is good and thoughtful content creation by the brand.

Figure 21: What is the factor that makes you follow brands on social media?

What is the factor that makes you to follow a brand's profile on social media?
219 replies

- Experience of the product
- To connect with other customers which follow that particular brand
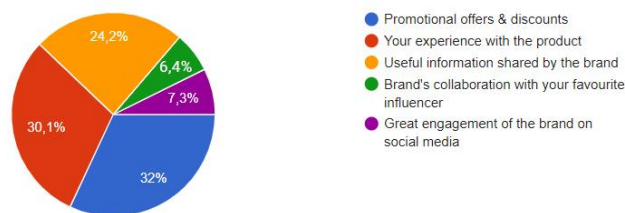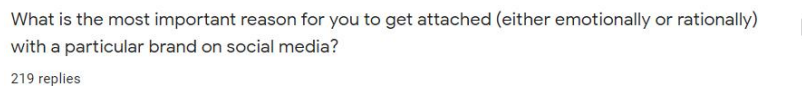- Emotional or rational attachment to the brand
- Great content created by the brand on social media
- I don't follow any brands
- Nothing
- To see the new products and hopefull...

40,2%
11%
20,1%
27,4%
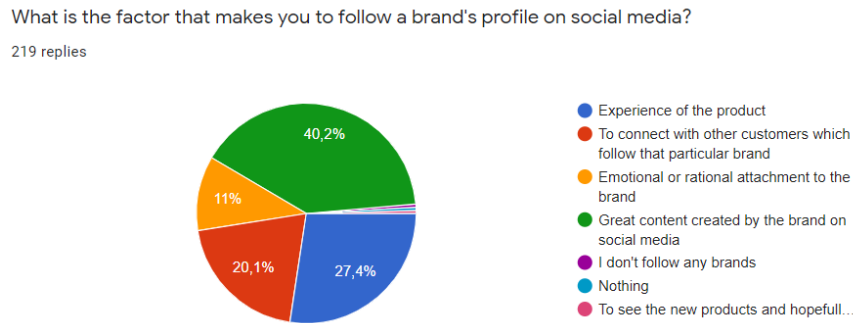
Source: Google Forms (2021).

The next question reads: 'What is the most important reason for you to get attached (either emotionally or rationally) with a particular brand on social media?' The goal was to figure out, how brands can make consumers get attached with them on social media. As it can be seen in Figure 22, about a third of participants said that this could be done through promotional offers and discounts, while another third said that the experience with the product is the most important factor. 24 % answered that useful information and content shared by the brand is what gets them attached with the brand, while only around 7 % get attached if brand is being really engaging on the platform or collaborating with people's favourite influencers. The important thing to highlight about this particular question is that it inquired not only about making a purchase from a brand but also about getting attached with the brand.

Figure 22: What is the most important reason to get attached with a brand on social media?

What is the most important reason for you to get attached (either emotionally or rationally) with a particular brand on social media?
219 replies

- Promotional offers & discounts
- Your experience with the product
- Useful information shared by the brand
- Brand's collaboration with your favourite influencer
- Great engagement of the brand on social media

24,2%
6,4%
7,3%
30,1%
32%

Source: Google Forms (2021).

Further analysis, therefore, brings us to the conclusion that brand can get 7 % of the people attached with it if the brand is constantly engaging on the social media platforms, and another 7 % if the brand collaborates with the person's favourite influencer. On top of that, 24 % of respondents are more likely to be interested in the brand's social media profile if it is sharing useful information and creating content that provides value to the consumers. This is roughly 40 % of the people, which is a reasonably high figure. I believe that many brands would like

the idea of 40 % of consumers getting emotionally or rationally attached with them. Which is more, to achieve this figure, brands do not have to invest any extreme amounts of money into this, as it can be gained through social media.

The next set of questions was aimed towards seeing how much people engage with the profiles of the brands, comment to their posts, or share their content publicly, or share the results privately with their friends. The answers have brought encouraging results. Figure 23 has revealed that only approximately 19 % of the participants never comment or share the content created by the brands publicly, or better still, that more than 80 % do. Of course, a deeper analysis would have to be done to determine what kind of content encourages the best engagement, the highest number of likes, comments, and shares, but this should be done for specific industries or companies separately. The crucial data here is that 80 % of the people are willing to engage with brand content which confirms that the opportunity is within the reach of brand's hand.

Figure 23: How often do you engage with content of the brands on social media?
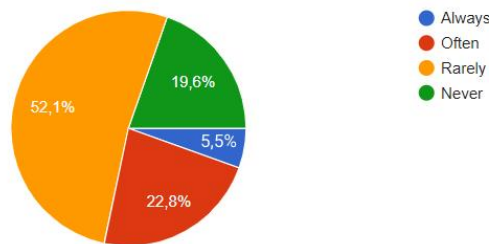
Source: Google Forms (2021).

Figure 24 shows that 19 % of participants never share brand content with their friends in private messages. However, 8 % of them always share brand's stories and posts with discounts, promotions and other type of interesting content created by a brand. To sum it up, if 8 % of consumers always share the brand's content and 40 % share it occassionally, the thought-provoking 48 % create an opportunity for a high reach for quality content and special promotions. The growth of brand's recognition and positive impact on brand's equity are the underlying results.

Figure 24: Do you share brand's content to your friends?

Do you ever share brand's stories or posts with promotions, discounts or other type of interesting content to your friends in private messages?

219 replies
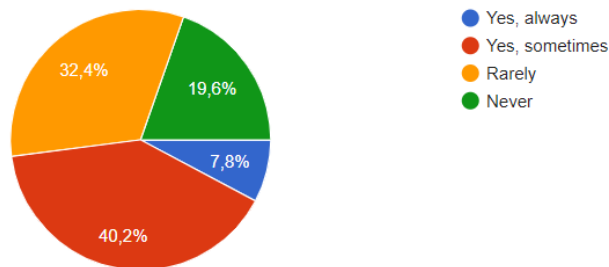
Source: Google Forms (2021).

Next set of questions has been intended to better determine what people expect from brands on social media and what they find the most important. As it can be seen in Figure 25, 65 % of participants believe that an eye-catching Instagram feed is very important. Less than 3 % of people believe it is not important, which leads to the conclusion that brands should be thoughtful of and plan carefully what their feed looks like.

Figure 25: Is eye appealing feed on Instagram important?

Do you believe that having a good looking feed on Instagram is important for brands?

219 replies
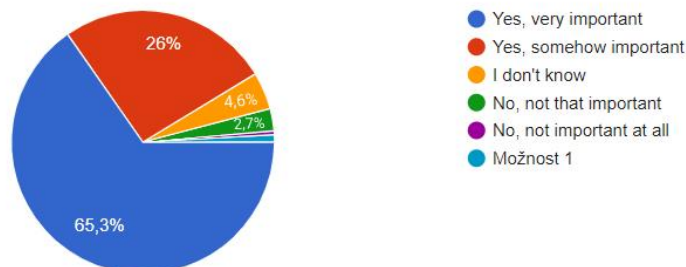
Source: Google Forms (2021).

In relation with the previous question, the next question was if people believe that regular posting on social media is of high importance for brand's image. As it can be seen in Figure 26, more than 92 % of the participants believe that regular posting is very or somehow important. This shows that consumers expect content. But this does not mean that quantity outreaches quality. It is vital to be thoughtful when creating content and, as mentioned above, when creating value for the consumers.

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Figure 26: Do you believe regular posts are important?

Do you believe that regular posts (photos, videos, tweets) on social media are important for brand's image?

219 replies

- Yes, very important
- Yes, somehow important
- I don't know
- No, not that important
- No, not important at all

28,3%
5%
1,8%
64,8%
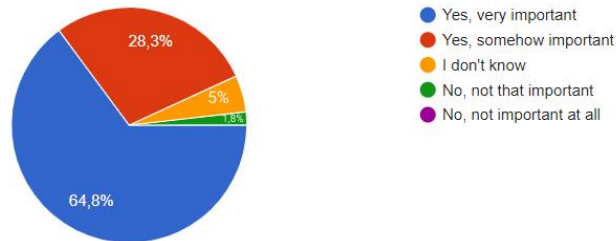
Source: Google Forms (2021).

Similar results occurred with the question if replying to comments and messages is important for brands. A little less people, 58 %, defined it as very important and about 30 % of the participants responded that it is somehow important (see Figure 27 for reference). About 5 % of the participants believe it is not that important or not important at all. As it can be noticed, from the viewpoint of consumers there is a small discrepancy between the importance of regular and good-looking posts in relation to the importance of replying to comments, with the latter being less important but overall, brands should be mindful about both.

Figure 27: Do you believe replying to comments and messages is important?

Do you believe that replying to comments and messages is important for brands on social media?

219 replies

- Yes, very important
- Yes, somehow important
- I don't know
- No, not very important
- No, not important at all

30,6%
5,9%
3,2%
1,8%
58,4%
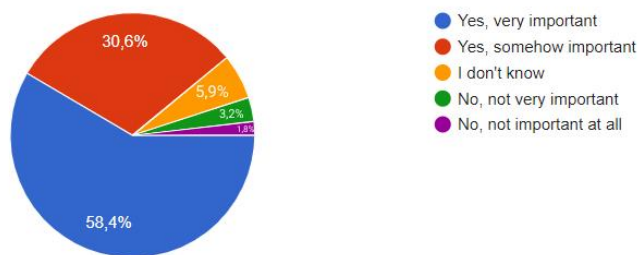
Source: Google Forms (2021).

Another compelling issue emerged based on the survey. As seen in Figure 28, almost 80 % of the participants have suggested a brand to a friend because of the good customer service that brand has on social media. This shows that it is worth investing both time and money into good social media service, because the unpaid friend referrals are one of the best advertisements for brands.

Figure 28 - Have you suggested brand to a friend based on good customer service they have on social media?

Have you ever suggested a brand to a friend, based on good customer service they have on social media?

219 replies

Source: Google Forms (2021).

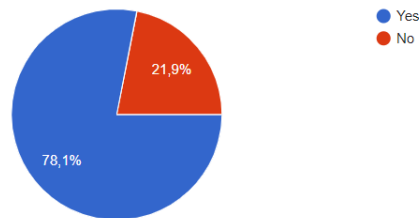There are many social media influencers and content creators, who have enormous audiences and loyal followers that really listen to their stories, problems, advice and many more. It has become a popular practice in the recent years that some brands make collaborations with these influencers. It works in the way that they pay them or offer them free products or services and the influencers, in exchange, promote the brand and its products or services. Therefore, my next set of questions was aimed at figuring out, how consumers feel about these collaborations and to determine, if it is advisable for brands to work with influencers. This analysis is based on the consumers' standpoint and the financial standpoint was not taken into consideration. The first question was straightforward, asking the participants if they believe it is important that brands collaborate with influencers. As seen in Figure 29, around 70 % of the participants believe that collaborations with influencers are at least somehow important for brands and less than 5 % of them think they are not important at all.

Figure 29: Do you think it is important for brands to collaborate with influencers?

Do you think it is important for brands to collaborate with influencers on social media?

219 replies
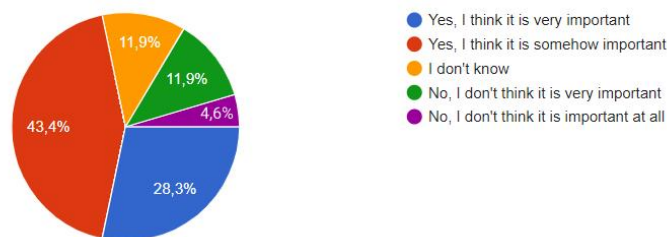
Source: Google Forms (2021).

Next question was: 'If you see that your favorite influencer is doing a collaboration with a brand, how likely is it that you will check the brand's profile?' The results seem to be rather intriguing. As shown in Figure 30, more than 25 % of the participants would check the

brand's profile, just because their favorite influencer is promoting it. The majority - more than 60 % - said that they would only do it if they liked the product presented.

Figure 30: Engagement of brand sponsored posts

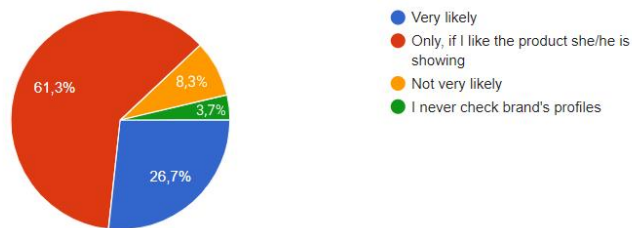If you see that your favourite influencer is doing a collaboration with a brand, how likely is that you will check the brand's profile?

217 replies

- Very likely
- Only, if I like the product she/he is showing
- Not very likely
- I never check brand's profiles

61,3%   8,3%
3,7%
26,7%

Source: Google Forms (2021).

The brands should, therefore, carefully plan which products or services they will pay the influencer to promote to make these products or services look appealing and interesting. It is also important to find the influencers who fit the brand perfectly, meaning that it is more likely that his or her audience is interested in the product or service presented. This will probably increase the percentage of people, who check the brand's profile. The next question, therefore, aimed directly at confirming the theory and as it can be seen in Figure 31, more than 75 % of the participants answered that they had followed a brand's profile after they saw an influencer engaged in promoting it.

Figure 31: Have you ever followed a brand after influencer promoted it on his profile?

Have you ever followed a brand after an influencer promoted it on his profile?

219 replies

- Yes
- No

23,7%

76,3%
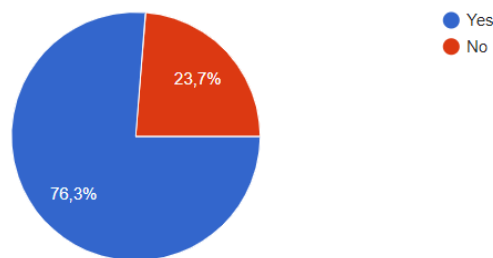
Source: Google Forms (2021).

Mrs. Ortega has stated clearly that for her followers are not as important as any clients she can gain from social media presence. Therefore, my next question asked the participants if they had ever bought any products promoted by influencers. Two thirds of participants the participants have purchased such products, please, see Figure 32. This shows the power and

influence that influencers have on their audience, making them a valuable asset of marketing on social media.

Figure 32: Have you ever purchased a product recommended by an influencer?

Have you ever purchased a product from a brand, recommended by an influencer?
219 replies

- Yes
- No

33,3%

66,7%
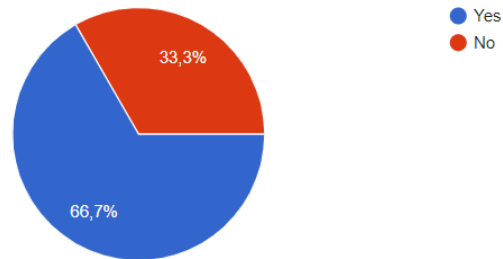
Source: Google Forms (2021).

At the end of the survey, there were demographical questions, for a better understanding about the sample of the participants. As seen in Figure 33 and Figure 34, the majority of the participants in the survey were between 18 and 30 years old and almost 80 % of them were women. These numbers are according to expectations, since I posted the link to the survey on my Instagram profile and 80 % of my followers are women.

Figure 33: What is your age?

What is your age?
219 replies

- <18
- 18-24
- 25-30
- 31-36
- >37

36,5%

9,1%

4,1%

1,8%

48,4%
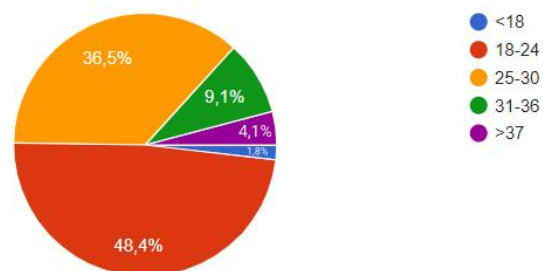
Source: Google Forms (2021).

The fact that almost 80% of the participants in the survey are women is also helping with the interpretation of some of the answers, especially about the social media platforms used. In this sample there was a quite significant number of participants who use Pinterest, which was a bit surprising, but after analyzing the sample characteristics, this is a bit more logical and explanatory, since Pinterest has high percentage of female users as seen before in Figure 6.

Figure 34: What gender do you identify as?

What gender do you identify as?

219 replies

- Female
- Male
- Prefer not to say
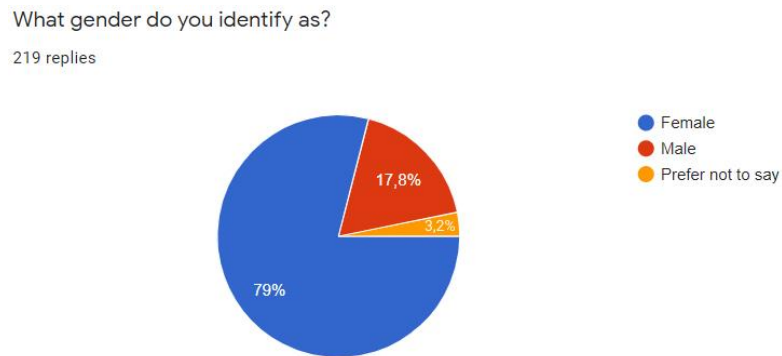
Source: Google Forms (2021).

To sum up, the consumers consider the presence on social media very important for the brands and expect good, informational content that brings value to them. High quality photos and videos are something that brands should focus on, when preparing and creating content for their social media platforms. An important factor that can create a bridge between consumers' expectations and expectations of the brands are influencers (Hudson, 2020). Consumers expect brands to collaborate with influencers they like and brands, on the other hand, can create a higher brand recognition and increase brand's total equity with the combination of higher revenue and improving the brand's image, if they find influencers who match the brand well. Here I need to mention, that in my experience as content creator, I have helped a few brands to increase their recognition and thus positively affect their sales and revenue volume, making the collaboration worthwhile and profitable for the brands. Therefore, I believe that collaborations with influencers are a way of marketing on social media, that should be investigated and tested by brands. There is no one thing that works for everyone, but these collaborations have potential to bring value to brands.

LIMITATIONS

This research was performed and based on social media behavior data gathered from US, Mexico and Europe. Interpretation of the data and final analysis and conclusions in this research are therefore based on social media behavior of people from these territories. There are two potential limitations of this thesis and data gathered which should be further researched and investigated in the future. Firstly, the data gathered is from different countries and continents which helps to make this research more international, but on the other hand it does not focus specifically on one continent or country. Potential reason for more country-focused research in the future would be better understanding of specific country market and consumer behavior, instead of more global approach. On the other hand, the data gathered was not gathered from all continents, therefore it cannot be interpreted as a global research

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that will have same analysis, results and conclusions in every country or continent. In this research there are no data about social media behavior of consumers in Asia, Australia, Africa, etc. which are probably quite different. Therefore, this thesis can be a great basis for further investigation about social media behavior of consumers in different markets and calls for further research.

CONCLUSION

Rapid evolvement and progress of technology and social media are inducing us to be more adaptable to continuous changes in our everyday lives. These changes affect our private and professional lives, and some people have more success adapting to them than others. The same applies for businesses and brands. To remain in business or to gain competitive advantage over other brands, one should keep up with new trends and social media presence is one of them. Being present on social media presents brands with new strategies: a new means of communication, engaging and interacting with consumers and target audience; new opportunities to present the brand from a different perspective; to develop or maintain brand equity and much more.

The purpose of the research has been to determine how the consumer-based brand equity is developed via social media. The chosen methodology of gathering data consists of both secondary research of scientific articles, business journals, internet research, books, etc. and primary research. Primary research has been divided in two parts, firstly, gathering information from the perspective of brands via direct interviews, and secondly, acquiring insights from the perspective of consumers on social media presence of the brands, which has been done through an online questionnaire.

As mentioned before, social media is a significant place for brands to develop and maintain their CBBE, it has a positive effect on the total brand equity and brands should not neglect and ignore this phenomenon. Brand equity, in short, is perceived as the added value to a business or a company that allows the brand to charge higher margins, acquire greater profits, or obtain lower costs than without this additional brand value (Farquhar, 1989; Myers 2003). There are various debates and different opinions whether brand equity consists of various dimensions like brand awareness, brand loyalty, brand identity or if the CBBE is, in fact, the reason for development of the mentioned dimensions. However, there is accordance that high CBBE is the differentiating factor, which allows brands to gain competitive advantage over other brands (Keller 1993; Kavisekera & Abeysekera, 2016). Brands always aim at having a high brand loyalty, a good customer retention, a notable brand awareness, and a good brand identity and image, and even for the most successful brands there is always room for improvement.

Many social media platforms provide options for brands to build their consumer-based brand equity and their social media presence. There is not a single social media platform which would provide the best results for all brands and there is not a simple answer as to which social media platform all brands should be present on. The answer is it depends. It depends on the industry, which the brand is operating in, it depends on brand's ambitions, it depends on brand's target audience and on products or services they are offering. Based on secondary research (Clement, 2020) and the findings from the questionnaire, Instagram might currently be one of the most important, if not the most important social media platform for brands operating in consumer-based industries, but as already mentioned, this does not apply to all brands and further individual and industry research needs to be conducted to make final conclusions about specific brands. LinkedIn appears to be the most important platform for business-to-business oriented brands, based on the questionnaire results and secondary research (Iqbal, 2020). I believe that Tik Tok is also getting its momentum and gaining importance in consumer-oriented markets, with some other platforms also potentially providing good opportunities for brands in some industries, to increase and develop their consumer-based equity; to raise their awareness and recognition; and to gain a competitive advantage.

Based on the interviews conducted with two brand managers as part the research process for the thesis, social media is and can be very helpful in acquiring and accomplishing these goals. Both brand representatives are aware that social media presence of their brands is very important, short-and-long-term wise, and to develop brand equity. During the interviews, I obtained many valuable insights from Mrs. Ortega and Mr. Gomez. The information was of substantial help in understanding brand perspective on social media presence and marketing. Both brand representatives know that their consumers and target audience expect them to be present on social media platforms and that their presence is helpful with increasing their brand awareness.

Since social media platforms will probably continue to be important marketing channels in the future, it is important that brand managers adapt their marketing strategies accordingly. Although some brands may perceive their presence on social media as an extra effort that may not be worth the time, the case of Dream Destination Weddings is a perfect example of why it is worth doing it. Mrs. Ortega expressed that to her popularity on social media and the number of followers and likes are not of big importance, yet still she is actively present on Instagram and Facebook, while planning to also open a Tik-Tok account. Her motivation are her goals of increasing the consumer base, increasing sales, and higher brand exposure. She is fully aware that social media is a perfect place for reaching the desired goals and that is the reason for being actively present and constantly creating engaging content on her social media platforms. The continuous effort of creating valuable and thoughtful content for her social media followers has proved to be an efficient tool that has a positive effect on the brand's equity.

The survey questionnaire, conducted online to gain insight into consumer's perspective of the research topic, has also proved to be abounding in valuable data which could be of high importance for brands. The research findings show that providing value and high-quality photos and videos are something that brands should be focusing on, when preparing and creating content for their social media platforms. To understand the consumer's perspective on social media presence is very important for brands, since they should strive to fulfill consumer expectations and by understanding them, they are one step closer to fulfilling them. Consumers value quality content and valuable information shared by brands on their social media platforms; according to the answers from the participants in the survey, this also has a positive effect on the sales of the brands.

Another important aspect of consumers expectations are the collaborations of brands with social media influencers and content creators. This, on the one hand, can add credibility to a brand and its image, and on the other hand, it can raise brand awareness and recognition among the audience of an influencer and can thus result in immediate increase in sales. As discussed earlier and presented in Figure 32, about two thirds of participants have at least once bought a product recommended by social media influencers. This shows that brands should be thoughtful in the decision-making process and create meaningful collaborations with influencers who fit the brand perfectly and are coherent with brand's values and what the brand represents.

To sum up, the development of consumer-based brand equity is not a simple process. It can be time consuming which brands should be aware of and therefore not take it lightly. Constant creativity, effort, and finding new ways to positively impact the brand's equity are highly encouraged and social media appears to be the place for it, since it gives brands opportunities to reach many consumers and the target audience. One of the goals of brands in this process is to fill the gap between the strategy and expectations and the expectations of consumers. The two factors which can help and have also proved to be valuable at creating this bridge are creating a valuable high-quality content, and insightful long-term collaborations with social media influencers. Consumers expect brands to create meaningful, informational, and valuable content of high quality, and to collaborate with social media influencers, therefore creating higher brand recognition and increase brand's total equity with combination of higher revenue and improving the brand's image. To find the right influencers who can improve brand's image and at the same time be coherent with its values and what it represents, should be a well-planned process,

The importance of a social media expert working for the brand or outsourcing the social media tasks to an agency of a freelancer is something that should be considered by brands which want to remain competitive in their respective industries in the following years. As this is a constantly changing environment, it is of utmost importance to keep up with trends to be successful in the long run. The importance of social media in terms of marketing is only

growing and more people are getting knowledgeable about it, therefore social media is a perfect place to build a loyal and satisfied consumer base that feels connection to the brand and its values. I believe that brand's equity can be developed, nurtured, and increased in both short- and long-term via social media and dedicating time and money to it will help brands to develop CBBE.

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APPENDICES

TABLE OF APPENDIXES

Appendix 1: Summary in Slovenian

Hiter razvoj in napredek tehnologije ter družbenih medijev nas spodbujajo, da smo bolj prilagodljivi nenehnim spremembam v našem vsakdanjem življenju. Te spremembe vplivajo na naše zasebno ter poklicno življenje in nekateri ljudje so pri tem prilagajanju bolj uspešni kot drugi. Enako velja za podjetja in blagovne znamke. Da bi ostali v poslu ali si pridobili konkurenčno prednost pred drugimi blagovnimi znamkami, morajo podjetja ter blagovne znamke biti v koraku z novimi trendi. Prisotnost družbenih medijev v vsakdanjem življenju je eden izmed teh trendov. Prisotnost na družbenih omrežjih blagovnim znamkam predstavlja možnost novih strategij in ciljev: novo sredstvo za komuniciranje, interakcijo s potrošniki ter ciljno publiko; nove priložnosti za predstavitev blagovne znamke z drugačne perspektive; razvoj ali ohranitev lastniškega kapitala blagovne znamke in še veliko več.

Namen raziskave je bil ugotoviti, kako družbeni mediji služijo kot gradnik vrednosti blagovnih znamk, v očeh kupcev. Izbrana metodologija zbiranja podatkov je vključevala tako sekundarno raziskavo znanstvenih člankov, poslovnih revij, knjig, internetno raziskavo, itd., kot tudi primarno raziskavo. Primarna raziskava je bila razdeljena na dva dela; prvič, zbiranje informacij z vidika blagovnih znamk z direktnimi intervjuji, in drugič, pridobivanje vpogleda z vidika potrošnikov o prisotnosti blagovnih znamk na družbenih omrežjih. Ta del raziskave je bil opravljen s pomočjo spletnega vprašalnika. Razvoj digitalnega prostora je namreč vplival tudi na vedenjske navade potrošnikov, na njihovo dojemanje, izbor in odnos do informacij ter posledično na nastanek novih marketinških orodij, ki so se tem spremembam prilagodila (Simerpreet, 2016).

Kot že omenjeno, so družbeni mediji pomemben kraj kjer lahko blagovne znamke razvijajo in vzdržujejo lastniški kapital svoje blagovne znamke v očeh kupcev. Skratka, lastniški kapital blagovne znamke je dodana vrednost blagovni znamki ali podjetju, ki le temu omogoča zaračunavanje višjih marž, pridobivanje večjega dobička ali nižje operativne stroške, kot brez te dodatne vrednosti blagovne znamke (Farquhar, 1989; Myers 2003). Blagovne znamke si vedno prizadevajo za visoko zvestobo potrošnikov, vračajoče kupce, opazno prepoznavnost

blagovne znamke ter dobro identiteto in podobo blagovne znamke. Tudi najuspešnejše blagovne znamke vedno stremijo k izboljšavi zgoraj omenjenih dejavnikov.

Številne platforme družbenih omrežij omogočajo blagovnim znamkam, da ustvarijo svojo lastniško blagovno znamko na osnovi potrošnikov in svoje prisotnosti na socialnih medijih. Ne obstaja ena družbeno socialna platforma, ki bi zagotavljala najboljše rezultate za vse blagovne znamke, in ni preprostega odgovora, na kateri družbeni platformi bi morale biti prisotne vse blagovne znamke. Odgovor je: odvisno. To je odvisno od panoge, v kateri blagovna znamka deluje, od ambicij znamke, od ciljne publike ter od izdelkov ali storitev, ki jih ponuja. Vpliv, ki ga imajo družbeni mediji na lastiški kapital blagovnih znamk postaja vedno večji in težje zanemarljiv (Clement, 2020).

Na podlagi intervjujev z dvema zastopnikoma blagovnih znamk, ki sta bila del raziskovalnega procesa tega magistrskega dela, je bilo ugotovljeno, da so družbena omrežja lahko v veliko pomoč pri doseganju tržnih ciljev blagovnih znamk. Oba sogovornika se zavedata, da je prisotnost njihovih blagovnih znamk na družbenih omrežjih zelo pomembna, za razvoj lastniškega kapitala, tako kratkoročno kot dolgoročno. Med intervjuji sem od gospe Ortege in gospoda Gomeza dobil veliko zanimivih informacij. Le te so bile v veliko pomoč pri razumevanju perspektive blagovne znamke glede prisotnosti in trženja prek družbenih medijev. Oba sogovornika sta tudi potrdila, da so socialni mediji idealen kraj za doseganje želenih poslovnih ciljev. Nenehno prizadevanje za ustvarjanje koristne in premišljene vsebine za njihove sledilce na družbenih omrežjih se je izkazalo za učinkovito orodje, ki pozitivno vpliva na lastniški kapital blagovne znamke.

Anketni vprašalnik, ki je bil izveden na spletu, da bi pridobil vpogled v potrošnikovo perspektivo raziskovalne teme, se je izkazal kot odličen vir zelo uporabnih podatkov, ki bi lahko bili zelo pomembni za blagovne znamke. Ugotovitve raziskave kažejo, da potrošniki cenijo kakovostno vsebino in uporabne informacije, ki jih blagovne znamke delijo na svojih socialnih omrežjih; po odgovorih sodelujočih v raziskavi, ima premišljena prisotnost na socialnih omrežjih tudi pozitiven vpliv na prodajo blagovnih znamk. Drug pomemben vidik pričakovanja potrošnikov je sodelovanje blagovnih znamk z vplivneži in ustvarjalci vsebin na družbenih omrežij. To lahko po eni strani doda verodostojnost blagovni znamki in njeni podobi, po drugi strani pa poveča ozaveščenost in prepoznavnost blagovne znamke med občinstvom vplivneža in tako privede do takojšnjega povečanja prodaje. Razumevanje potrošnikovega pogleda na prisotnost v družabnih omrežjih je za blagovne znamke zelo pomembno, saj bi si morale prizadevati za izpolnitev potrošniških pričakovanj in so z njihovim razumevanjem korak bližje k izpolnitvi.

Če povzamem, razvoj lastniškega kapitala blagovne znamke na osnovi potrošnikov ni preprost postopek. Konstanta ustvarjalnost, trud in iskanje novih načinov, kako pozitivno vplivati na dobro podobo blagovne znamke, so odlične smernice, ki lahko vodijo znamke pri

tem procesu in zdi se, da so socialna omrežja popolna za tovrstne dejavnosti, saj blagovnim znamkam omogočajo, da dosežejo številne potrošnike in ciljno publiko. Eden od ciljev blagovnih znamk v tem procesu je zapolniti vrzel med njihovo strategijo ter pričakovanji potrošnikov. Dejavnika, ki lahko pomagata in sta se tudi izkazala za dragocena pri ustvarjanju tega mostu, sta ustvarjanje koristne visokokakovostne vsebine ter dolgoročna sodelovanja z vplivneži na družbenih omrežjih.

Blagovne znamke, ki si želijo v naslednjih letih ostati konkurenčne v svojih panogah bi morale razmisliti o izobraževanju svojih zaposlenih o družbenih omrežjih, ter najeti strokovnjaka, ki bo zaposlene in podjetje vodil skozi ta proces. Ker gre za nenehno spreminjajoče se okolje, je izredno pomembno, da sledimo trendom, da bi bili dolgoročno uspešni. Pomen socialnih medijev v smislu trženja samo narašča in vse več ljudi se tega zaveda, zato so družbeni mediji idealen kraj za izgradnjo zveste in zadovoljne potrošniške baze, ki čuti povezanost z blagovno znamko in njenimi vrednotami.

Appendix 2: Brand interview #1

Ashley Ortega, founder of travelling Agency Bon Voyage Travellers and Co-founder of wedding planning agency Dream Destination Weddings

Hello Ashley, how are you?

I am great Jaka, thank you for asking. How are you?

I am also doing good. Thank you for doing this, I know that you are a very busy woman and I really appreciate that you took the time for this interview.

It's my pleasure.

Okay, let start with the first question: Please present your brand and the industry that's operating in:

I actually have two business, two brands that I created. First one is my travel agency Bon Voyage Travellers, where we organize journeys, vacations, tours, weekend getaways for individuals and groups. We have special deals with hotels, discounts with tour providers and years of experience so people don't have to plan anything for their vacation, they just go and enjoy.

The second brand is quite new, and I am really passionate about it. It is called Dream Destination Weddings and it is basically wedding planning agency, focused on destination weddings, especially weddings on the beach. We have exclusive deals with some of the best hotels all over Mexico and right now I am more focused on this project since it makes me feel so good when my team and I can help make people happy on their special day

Perfect, I understand you. On a scale from 1 to 10, how important do you consider social media presence for your brand? Please justify your answer.

That is definitively 10 for me. If I don't have social media, I don't have clients. I have to be present on social media, create content and raise recognition of my brand, so more people get to know me and my work.

Okay, makes sense. Next question. Do you know the difference between social media management and social media marketing? Are you performing both?

Completely honest I am not familiar with the exact difference between these two terms, but I am constantly trying to educate more about social media and related topics. But it is hard, managing two agencies, dealing with clients, creating content, meetings and a lot of other stuff so I often don't have time to learn more about social media and all of the platforms, but step by step I am getting better.

That's a good attitude. On which social media platforms is your brand present?

My brands are present on Instagram and Facebook.

Have you thought about being present on other platforms? Why (not)?

YES. I should be active on more social media platforms, especially Tik Tok and other new interactive platforms for posting photo and video content. For example, Twitter or Linkedin are two platforms that I don't find really important for my two brands, because the content posted there is completely different. As I said Tik Tok definitely, maybe also Youtube and some other platforms, but a day only has 24 hours (laughter).

(laughter) Yeah, that can be a problem sometimes. Let's move on. How do you engage with your followers on social media? What kind of content do you post?

I am posting stories every day and trying to interact with polls, questionnaires, and quizzes. I also post photos and videos as the normal posts; I try to respond to all the comments and messages that we get. I think it is important to be approachable and active because with this you show to your followers that you care, and they appreciate that.

Surely. What kind of content works the best for you?

My job includes a lot of travelling and I believe that people that follow my brand's Instagram account really like when I show them photos and videos from the places to where I organize trips and or the hotels where organized weddings because like this they can see firsthand how the place looks like and they appreciate it a lot, because seeing photos on the hotel website is one thing but then seeing tons of content, from photos to videos from someone who is actually in the hotel/destination, is completely another thing and that is what my clients and followers like. Another thing that also works great for me is when I post some exclusive super limited deals that people cannot turndown.

That's really cool. What do you expect to gain from social media presence of your brand?

I expect to gain new clients. Honestly, number of followers is not important to me. I prefer to gain 40 followers in my profile in a year and get 25 new clients out of this compared to

gaining 1000 new followers and just 10 clients. Of course, having followers is nice and by posting good content you get more followers but for my business I need clients, so my social media presence and the content that I post is aimed to that.

That's fair. Have you performed any paid campaigns? How were the results?

Yes, I made several paid campaigns on Facebook and Instagram. The campaigns on Instagram work a lot better for my brands, I believe that it because of the type of content that I have, Instagram is the go-to platform for promoting these kinds of photos and videos. So yes, I plan to do more in the future, but just on Instagram.

Okay, great. Have you had any collaborations with social media influencers? If yes, on which platforms and how did you measure the success of the campaign?

Influencers were and still are very very helpful for my brand, because due to various collaborations I've gained a lot of new followers, which became clients (that's the kind of followers that I like hahah) and later these clients recommended our brand to their friends and they became clients too. It was kind of a snowball effect. I gave the influencers special deals to promote, and our brand received a lot of sales of these deals and this was the only promotion we had on these deals, so we knew that sales are coming from influencers.

So, do you plan to work with influencers also in the future?

Yes, for sure! I think that my brand has a great eye appeal and collaborations with influencers are something very beneficial for us.

Do you work or have you worked with social media agency or a freelancer?

I am currently working with a freelancer that is helping me with ads and content for the Dream Destination Weddings brand, but I am honestly not too satisfied with him, because I don't see the growth that he was promising, neither the sales. My plan is to find someone new, because I need help and this is very important aspect of my business.

Okay, last question: In your opinion how important is good brand image on social media for your brand?

I think it is one of the most important things for my brand and it will become even more important in the upcoming years, because without a good social media presence, you cannot realistically be competitive in this industry. Having a good brand image is really something that I aim to and I constantly think about ways to maintain it and even improve it.

Perfect. That would be all for today. Thank you so much for your time.

Thank you!

Appendix 3: Brand interview #2

Billy Gomez, entrepreneur and Co-founder of Reto Globi

Hi Billy, how are you?

I am good, I am excited. How are you?

I am also doing great. Thank you for taking the time for this interview.

No problem.

Okay, let start with the first question: Please present your brand and the industry that's operating in:

My name is Billy Gomez and I am an entrepreneur. I created an online fit challenge Reto Globi for people who want to make positive changes in their life, starting with regular exercise and healthier eating habits. It's created in collaboration with experts in the fields of nutrition and exercise, personal trainers and nutritionists, I also gathered a team of social media content creators to help me with promotion of my brand. I created this project with the aim to help the people, to educate them about healthier lifestyle. Everything is online, because the brand was created in the beginning of 2020, but long-term plan is to build a community that will also get together in person and workout together.

Okay, great. On a scale from 1 to 10, how important do you consider social media presence for your brand? Please justify your answer.

I would say 10, because currently everything that we do is online. I believe people like the easy availability of training videos and instructions that we post on our Instagram account and our Whatsapp group, where we have exclusive chat for the people who participate in the challenge. I fell also that people are getting accustomed to watch videos of trainings and exercises and do them at home, and being part of our community where people motivate each other under our posts on Instagram and in the group, really adds value to our brand and that wouldn't be possible without social media.

Okay, perfect. Do you know the difference between social media management and social media marketing? Are you performing both?

Social media management is when you manage...(laughter). No honestly, I could not explain you the difference, but I know that both are important.

That's a okay. On which social media platforms is your brand present?

My brand is present on Instagram, which is our main platform, but we also post on Facebook.

Have you thought about being present on other platforms? Why (not)?

No, since we firstly want to create a strong audience on our main platform which is Instagram and we feel that this is the platform which is the most suitable for the nature of our project and our brand. Once we will have a strong audience and a bigger team, we will start thinking about other platforms too.

Fair enough. Let's move on. How do you engage with your followers on social media? What kind of content do you post?

We are constantly posting different dynamics to interact with our audience. We are posting Instagram stories daily, we make posts about nutrition and workout videos, we also use Instagram Reels since it is quite a new thing on Instagram and they want to push it in order to compete with Tik Tok, so by doing Reels we are getting big exposure and reach, we also go live 2x per week with different famous content creators and athletes. We also organize Q&A sessions where our followers can ask all questions and doubts regarding to the challenge and also some personal questions. We always try to keep our audience entertained.

That's great. What kind of content works the best for you?

As I mentioned earlier Instagram Reels is really giving us great exposure and also we are getting amazing feedback on our stories when we post workout videos and also before and after photos of participants in our challenge.

That's really cool. What do you expect to gain from social media presence of your brand?

We except to grow our brand nationally and internationally. We have big plans for the future and being present on social media will help us achieve that. Apart from helping more people to stat living healthier, we also plan to get some sponsorships from big brands that promote healthy lifestyle, because our participants are their target audience, and we have a lot to offer to them. On the other hand, a good sponsorship could help us reach more people, expand the team and the brand and help us achieve some of the things we are planning.

That sounds like a great plan. Have you performed any paid campaigns? How were the results?

Not yet, since I am still educating on this topic and don't want to just spend the money to spend it, I want to make a good plan. So far, we just had good organic growth, so we didn't feel the need to do it, but it is definitely one of our short term objectives.

Okay, great. Have you had any collaborations with social media influencers? If yes, on which platforms and how did you measure the success of the campaign?

Yes, we are working with a few influencers on Instagram and they are helping us a lot. People are really interested in the dynamics that we organize with influencers and for the last challenge we put in a question on the application form, asking: 'Where did you hear about this challenge?' and we got many response from people saying that from a certain influencer, and this gave us the confirmation that is working good and gave us the confidence to continue to work with them

Okay, you practically already answered, but still, do you plan to work with influencers also in the future?

Yes, 100%. That's really important for us.

Do you work or have you worked with social media agency or a freelancer?

Not yet, but I am currently looking for a freelancer that would help us with some of the new things that we are preparing.

Okay, last question: In your opinion how important is good brand image on social media for your brand?

I think it is really important for my brand and it will become even more important in the future. Good social media presence and supportive audience is really a key for the long-term success in my opinion and that's why we are trying to build a really strong community.

Perfect. That's all for today. Thank you so much for your time.

Thank you!

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